# FINANCIAL TIMES

THURSDAY FEBRUARY 1 1996



A dilemma for Britain



**Apple forever** 

Sniffing around PetsMart turns

Deep resources

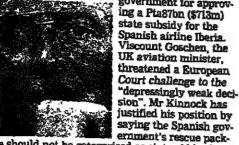
Accessing the US capital markets

Survey, Pages 21-24

#### Kinnock attacked over approval of subsidy for Iberia

World Business Newspaper

European Union transport commissioner Neil Kinnock (below) has been denounced by the British government for approving a Pta87bn (\$713m) state subsidy for the Spanish airline Iberia.



age should not be categorised as state aid in the tra-

Ford warns of weaker earnings: Ford, the US's second biggest car manufacturer, said its core operations had barely managed to break even in the final quarter of last year and warned that the cost of launching models in the US and Europe would lead to weaker earnings in the first six months of this year. Page 15; GM rediscovers brand, Page 18

Chirac presents Nato plans: French president Jacques Chirac is to outline to the US government his hopes for a reformed Nato, going back on earlier ambitions to upgrade the Western European Union to supersede the Atlantic alliance. Page 2: Editorial Comment, Page 13

Senter launches 'confidence pact': Jacques Santer, president of the European Commission, announced plans to spend an extra Ecul. 7bn (\$2bn) on public works in a "confidence pact" to counter fears that moves to monetary union are putting people out of work. Page 14

Credit Foncier chief removed: The French government announced the abrupt replacement of the head of Crédit Foncier de France, the troubled financial institution specialising in property lending. But in an unusual turn of events Jean-Claude Colli did not resign, in a gesture believed to reflect his frustration with the decision. Page 15

Est, the French oil company, and Enterprise, the UK explorer, have "reorganised" their lossmaking Elf Enterprise Petroleum joint venture. Elf and Enterprise said there would be no impact on the three North Sea fields operated by EEP. Page 20; Operators seek cost savings, Page 8; Lex. Page 14

Rhone-Poulenc to cut debt: French chemical group Rhone-Poulenc announced a 10 per cent decline in operating income and disposals worth FFr10bn (\$2bn) aimed at cutting its debt and boosting its "inadequate" profitability. Page 16

Oregon to have Democrat senator: Oregon is to have its first Democratic US senator in 29 years with the election of Congressman Ron Wyden to replace Senator Bob Packwood, who resigned last ar over charges of sexual harassment. Page 4

Philip Morris, the US tobacco and food group. recorded a 16.5 per cent jump in net profits to \$1.3bn in the fourth quarter, helped by strong sales of Mariboro cigarettes. Page 18

Philippine reforms in doubt: The largest party in the ruling Philippine coalition has split off to form an opposition group in the senate, calling into question the government's ability to enact controversial economic reforms. Page 14

Hanson shares fall: Industrial conglomerate Hanson's shares fell 8%p to 202%p on the London market as doubts emerged about its plan to split into four. Page 15; The Hanson demerger, Page 20

**New Polish PM proposed:** The leaders of both parties in the ruling Polish coalition proposed Wlodzimierz Cimoszewicz from the ruling Democratic Left Alliance to replace Jozef Oleksy as prime min-ister, pointing to an early end to the political crisis. Page 14: Profile, Page 2

Move to defuse Turkish-Greek tensions: Richard Holbrooke, the US envoy to the Balkans. aunched a diplomatic initiative to defuse Turkish Greek tensions and avoid the recurrence of armed stand-offs in the Aegean. Page 2

Alliance & Leicester, the UK's fourth largest building society, confirmed that it planned to float and become a bank by early next year, but the scale of the bonus to its 2.5m investors is uncertain. Lex, Page 20

Eurodis Electron, the fifth largest electronic component distributor in Europe, faces a poten-tially hostile takeover after Elektrowatt, its largest shirtholder, said it intended to sell its 42 per cent holding. Page 15

COLD	
Henry York: Comex (Apr)\$408.5	(407.0)
Londore close\$405.5	(405.2)
Hear York: Lunchilli	16
1.5120	
M1.4872	
Fr5,1054	
SFr1,21115 y106,985	
Londott	en en en
DM1.4879	(1.5043) (1.4899)
	5.1185
A) warmed bearing	1 2135
106.915	(107.25)
STERLING	
	(2.2412)
Table & alasse Y	106.94
ORÃO > CIGSE:	I DO:S-I
	Serve York: Cornex April \$408.5  London: \$408.5  M DOLLAR  Herr York: Unstrum: \$408.5  M 1.4872  FT \$105.4  1.5110  M 1.4879  FT \$1078  FT \$1078  FT \$1078  STEPLING  M 2.2482

Albania LEK 220 Germeny DMA.00 Lithuonia Lis 15.00 Cetter OR13.00
Austria Sch37 Greece Dra00 Lite
Behalm Um1.250 Hong Korry HKS20 Matta
Belgium BP75 Hungery P230 Morocco
Bidgetta Jury30.00 lociend 9220 Neth
Oyorus C21.20 India Re75 Nigeria Neth
Orocco Sch4.20 Neth
Casch Rp L060 Eared SN47.20 Noteria Neth
Casch Rp L060 Eare SN47.20 Noteria Neth
Egypt BESU0 Lippen Y500 Peldisten
Egypt BESU0 Lippen J07.50 Peldisten
Fring Re15.50 Kunetk Rp.850 Portugal (Infam) Turnisch 270.000
Fring Re15.50 Labraro L13.000 Ecc40 LIAE Oh12.00

© THE FINANCIAL TIMES LIMITED 1996 No 32,897 Week No 5





### Canadian banks sue law firm over Canary Wharf

By Bernard Simon in Toronto and Robert Rice in London

Clifford Chance, the UK's largest international law firm, is being sued for C\$1.3bn (\$940m) by four Canadian banks which incurred heavy losses in the early 1990s from the collapse of the Canary Wharf office development in London's Docklands.

Writs filed by the banks simulaneously in London and Ontario allege that they forfeited an influential role in the restructuring of Canary Wharf as a result of

incorrect information provided by Clifford Chance in a 1969 legal

The UK firm has not yet filed a defence. However, it has challenged the Ontario court's jurisdiction to hear the case. A hearing on the jurisdiction issue has been scheduled for the end of

Canary Wharf was put into administration in May 1992 following the collapse of its parent, Olympia & York Developments, the property group owned by Canada's Reichmann family.

Under a subsequent restructuring, a group of 11 international banks, including the four Canadian institutions, gained control

The banks' involvement ended late last year when they sold their interest to a consortium led by Mr Paul Reichmann, The four nadian banks - Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of Nova Scotia and National Bank of Canada - filed their claim against Clifford Chance last June, before the

(\$616m) "equity loan" which the banks provided to O&Y in 1999 to capitalise Canary Wharf's main holding company. O&Y pledged its shares in the holding company as security for the loan, According to the banks, Clif-ford Chance advised them that

vate limited company, when in fact it had unlimited liability. The banks allege that, because of the company's unlimited liability, they were unable to enforce their collateral without becoming

the holding company was a pri-

liable themselves for the project's entire debt.

According to CIBC's statement of claim, "the bank's expectation that it would enforce its pledge and thereafter control the completion, lease-up and ultimate disposition of Canary Wharf ... was therefore completely frustrated as a direct result of the defen-

dant's negligence". In a statement issued yesterday the law firm said the C\$1.3bn figure was misleading. To date no evidence has been produced to us that any loss was incurred by

these banks in relation to these loans following the collapse of O&Y as a result of any negligence on the part of Clifford Chance If the banks pursue the claim, they will have to provide evidence of the alleged loss, but in that event we believe the amount involved would be very

The firm refused to discuss its indemnity insurance cover, but it is widely believed large UK law firms carry cover up to £150m.

Dutch bank plans City F ? Par +8

### Fed reduces short-term US rates by quarter point

The Federal Reserve - the US central bank - yesterday moved to stimulate a sluggish economy by cutting short-term interest rates by a quarter point.

The easing of policy followed a similar quarter-point cut in rates late in December. The immediate reaction on Wall Street was subdued because share prices had already risen strongly on Tues-day in anticipation of the Fed's

The Dow Jones industrial average, which suddenly dropped 30 points from its opening level minutes before the rate cut announcement, recovered in lateafternoon trading to be up about 15 points. Bond prices were volatile, but shortly after the cut, the 30-year long bond was up a modest % point at 111%.

"Moderating economic expansion in recent months has reduced potential inflationary pressures going forward." the Fed said yesterday in a short explanatory statement. With price and cost trends already subdued, a slight easing of monetary policy is consistent with contained inflation and sustainable

The Clinton administration welcomed the decision and said the fundamentals were in place for a strong economy in 1996.

The policy relaxation involved cuts in two short-term rates. The Fed lowered the federal funds rate - the rate at which banks lend to each other - by a quarter point to 5.25 per cent. Governors also voted unanimously to lower the largely symbolic discount rate - the rate at which the Fed

lends to banks - by a quarter point to 5 per cent.

Mr John Lipsky, chief economist at Salomon Brothers in New York, said there was "ample justification for additional easing beyond today's move". The fact that the Fed had cut the discount rate, he said, indicated it might be contemplating a further cut before the next scheduled meeting of the policy-making open market committee in March.

Yesterday's move marked the third quarter-point cut in the federal funds rate since the Fed began to ease monetary policy last July, when rates stood at 6 per cent. The discount rate was last reduced in July 1992.

The Fed was responding to weak statistics indicating that economic growth has slowed to an annualised rate of about 1.5 per cent. well below the economy's potential. It has also been criticised for keeping short-term rates unnecessarily high relative to an underlying inflation rate of

Some Wall Street economists believe the Fed will ease policy several times this year, bringing short-term interest rates to about 4.5 per cent by the summer. Others, however, believe there

is little, if any, scope for further rate cuts because the economy is likely to rebound naturally this spring. They point out that recent soft data partly reflects special factors, including two partial government shutdowns, a long strike at Boeing, the aircraft maker, and unusually severe

Lex. Page 14; Bonds, Page 26; Currencies, Page 27; World



### US airlines landing on their feet

By Richard Tomkins in New York

The US airline industry, long mired in heavy losses, made an astonishing recovery in 1995 by notching up its most profitable year since the invention of powered flight.

With most US airlines' fourthquarter results now in, the Air Transport Association, an industry body, believes net profits for the year will total about \$2.2bn. easily beating the previous record of \$1.7bn in 1988.

The 1995 figure represents a turnround from losses of \$279m the year before and marks the end of a five-year period during which US airlines ran up combined losses of more than \$13bn.

One reason for the return to profitability was a rise in passen-ger traffic. The Air Transport Association said the number of miles flown by passengers rose by 2.7 per cent on domestic flights and by 4.1 per cent on Stocks, Page 36 | international flights last year,

making 3.1 per cent overall. The airlines have also been making determined efforts to cut costs. UAL, parent of United Airlines, has given its employees a con-trolling stake in the company in return for pay cuts worth \$4.9bn over 12 years. Delta Air Lines is part way through a plan to cut its workforce by 15,000, or 20 per cent, saving \$2bn a year.

However, the biggest contributor to the profits growth has been the increase in fares that has accompanied cuts in capacity.

Most large US carriers have been withdrawing from routes where they do not make money, leaving fewer seats to be filled with barenin-hagement fares

Mr Philip Bargaley, an analyst at Standard & Poor's, the US credit rating agency, said the common philosophy among airlines in the 1980s was to try to build up a national route network, covering as much of the country as they could.

"Today, in contrast, airlines have retreated to more modest

PRIVATISATION OF THE HUNGARIAN

goals and are focusing mainly on markets where they have compet itive strengths, conceding the other markets to others," he said.

In spite of the record profits, the industry's celebrations are muted. The Air Transport Association pointed out that, even at these levels, the industry's net profits represent barely 2.5 per cent of revenues compared to an average net profit margin of 5 per cent for US industry generally.

Continued on Page 14

### Jobs warning by German car industry despite Bonn plan

By Wolfgang Münchau In Stuttgart

The German car and comp sector will shed 100,000 jobs by the end of the decade unless the government agrees to fundamental measures to reduce business costs, the industry said yesterday, only a day after the Bonn coalition presented its economic stimulus package.

The warning came as the Bundesbank allowed its securities repurchase rate, the most important influence on shortterm money market rates in Germany, to fall to its lowest level since November 1987. However, the view among

Frankfurt bankers and analysts was that the drop in the repo rate from 3.55 per cent to 3.4 per cent did not presage a cut by the Bundesbank council today in the key discount and lombard rates from 3 per cent and 5 per cent.

Repo rate (%) Jug

The car industry's gloom underlines its lack of confidence in the government jobs programme, its continued fears about the country's waning competitiveness and general frustration about what is considered to be the highest cost base in the world.

association (VDA) also claimed that a recent change in the tax rules for people with company cars would cost the industry billions of D-Marks in lost sales.

At her annual news conference, Ms Erika Emmerich, president of the VDA, one of Ger-many's most powerful lobbying groups, said: "Without further sustained cost reductions, which could lead to an improvement in [Germany's] competitive position, the pressure for further job reductions will increase. We could see a further 100,000 job losses in the car industry and its suppliers by the end of the

She called on the government

Continued on Page 14 Bundesbank cuts repo rate, Page 2; Editorial Comment, Page 13; Currencies, Page 27; World Stocks, Page 36

Landon SE .....

Wall Street ....

#### REGIONAL GAS DISTRIBUTION COMPANIES In five simultaneous transactions the Hungarian Privatisation and State Holding Company ("APV Rt.") has sold 50 per cent plus one of the Class "A" ordinary shares in Délaiföldi Gázszolgáltató Rt. ("DÉGÁZ") Déldunántúli Gázszolgáltató Rt. ("DDGÁZ") Északdunáptili Gázszolgáltató Rt. ("ÉGÁZ") Középdunántáli Gázszolgállató Rt. ("KÖGÁZ") Tiszánhili Gázszoluáltató Rt. ("TIGÁZ") **DDGAZ** IX X KOGAZ DÉGAZ TIGAZ EUHRGAS BAYERNWERK TALLIAS GAZ DE FRANCE GAZ DE FRANCE VEW EXERGIF EVN SAAM USS 92 matte 1:55 52 million USS 77 million USS 171,884,651 The aggregate consideration received by the APV RL from the sale of those shareholdings amounted to US\$ 460 million The Hungarian Privatisation and State Holding Company was advised in these transactions by N M Rothschild & Sons Limited

January 1996

Maraged Funds

and the second second

LONDON - LEEDS - PARIS - FRANKFIRT - STOCKHOLM - MADRID - NEW YORK - LOS ANGELES - TOKYO

FT/SP-A Wild Indices....

Foreign Buchanges ...

### Brussels plan to clean up mergers mess

By Emma Tucker in Brussels

medium-sized companies in different EU countries propose a merger, a good deal of paperwork, confusion and time wasting can lie ahead as lawyers seek to clear the deal with all relevant competition authorities.

Procedures are far from uniform. Luxembourg, Finland, and Denmark have no national competition authority; in France, Spain and the UK, notification is not obligatory. Turnover thresholds triggering a notification vary across the Union from less than Ecu500,000 (£412,337) for individual company turnover, to

not only more effi-

ريسد, but legally more certain,

argue officials. Under existing

rules, mergers are referred to

the EU's competition authorities only if the combined

global turnover of the compa-

nies involved is more than

Ecu5bn and at least two of the

merging companies have a

combined turnover of more than Ecu250m inside the EU.

A green paper unveiled by Mr Karel Van Miert, the com-

petition commissioner, yester-day proposed a reduction in

these thresholds to Ecu2bn

and Eculoom, bringing more mergers under the remit of the

ing to lawyers, because a case

that has to be notified in one

member state, may not qualify

in another.
The Commission's proposals

are not solely motivated by

the need for efficiency. It is

also concerned that certain

sectors consistently fall out-

side the scope of EU merger

rules, even though cross-border deals have an impact on

the single market. "A number

of mergers particularly in pub-

lishing and chemicals, do not reach the thresholds, but are

very significant at a commu-

nity level," said Mr Van Miert.

A third proposal attempts to

speed up the time it takes to

clear joint ventures. These are

not covered by the merger

rules which set precise dead-

lines. Instead, joint ventures

fall under general competition

rules with no deadlines. One

option floated is to apply the

merger rules to certain types

THE FINANCIAL TIMES
Published by The Financial Times (Europe)
Gmbil, Nibelmagenplatz 3, 60318 Frankfart am Main, Germany, Telephone ++49
69 156 850. Fax ++49 69 596 4481. Represented in Frankfurt by J. Wafeer Brand,
Wilhelm J. Britssel, Colin A. Kennard as
Geschäftsführer and in London by David
C.M. Bell, Chairman, and Alan C. Miller,
Deputy Chairman, Shareholders of the

C.M. Bell, Chairman, and Alan C. Müler, Deputy Chairman. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd. London and F.T. (Germany Advertising) Ltd. London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number Our Southwark Bridge, London SEI 9HL.

GERMANY:
Responsible for Advertising: Cohn A. Kennard. Printer: Hürriyet International GmbH, Admiral-Rosendahl-Strasse 3a, 63263 New-Jeenburg ISSN 0174 7363.
Responsible Editor: Richard Lambert, clothe Financial Times Limited, Number One Conthurset Recine London SFI 9411.

FRANCE:
Publishing Director: P. Maraviglia, 42 Roe
La Boetie, 75008 PARIS. Telephone (01)
5376 8254. Fax (01) 5376 8253, Printer:
S.A. Nord Eckir, 15/21 Rue de Caire,
F-59100 Routain Cedex I. Editor: Richard
Lambert. ISSN 1148-2753, Commission
Parizaire No 67808D.

SWEDEN: Responsible Publisher: Hugh Carneyy 468 618 6088. Printer: AB Kvillstidningen Expressen. PO Box 6007. \$-550 06, Jönköping.

O The Financial Times Limited 1996.
Editor: Richard Lambert,
clo The Financial Times Limited, Number
One Southwark Bridge, London SEI 9HL

of joint ventures.

GERMANY:

FRANCE

fall-back position.

### Clinton peace envoy turns to Aegean

By Kerin Hope in Athens, John Barham in Ankara

Mr Richard Holbrooke, the US envoy to the Balkans, yesterday announced a new diplomatic initiative to defuse Turkish-Greek tensions and avoid the recurrence of armed stand-

offs in the Aegean. The latest shows of force eased yesterday, to the relief of Nato governments, as warships from Greece and Turkey withdrew from the disputed Imia islets under strong pressure from President Bill Clinton. But Mr Holbrooke, reflecting

profound US concern over the crisis, said he would turn his attention to the Aegean next month instead of embarking on a previously planned effort to solve the Cyprus problem.

Turkey is "the new frontline state of Nato (and) you cannot have the southern flank of Nato in constant tensions", he

This week's three-day crisis, the worst between Greece and



bling reminder of the mistrust between two notional allies whose representatives at Nato headquarters in Brussels are harely on speaking terms. The shows of force also high-

lighted the stridently nationalist climate of domestic opinion with which governments in both Athens and Ankara are obliged to contend - whether they actively cultivate the senThe White House said President Clinton was "satisfied that his telephone calls had an impact (which) was very shortly seen in the agreement that was reached".

Turkey's government and

media declared victory after Greece removed its troops and flag from the barren four-hectare rock. Mrs Tansu Ciller, the caretaker prime minister, appeared to have enhanced her own position during Turkey's post-election political impasse. "I promised the Turkish people that Turkey does not have even one single stone to give," she said.

"I promised that [Greek] soldiers would go, that [their] flag will go. As of today [their] flag has gone and the soldiers have gone," she added. Her stance received strong

backing from the Turkish press, which had played a sig-nificant part in arousing public opinion over the issue in the The Interstat TV channel

remain in place.
Opposition conservatives walked out of the Greek pariament, and even leftwing newspapers which support the

> This week's confrontation was particularly dangerous

Socialists criticised the new

Turkish troops from one of the

disputed islands with Ottoman.

military music playing in the

background, and a subtitle

However, Mr Necmettin

Erbakan, the leader of the

Erbakan demanded to know.

even broader barrage of domes-

tic criticism for having swal-

lowed his pride and backed

stating "victory returns".

covered the withdrawal of because both countries are in a state of political transition. Mr Simitis, in his first test after being sworn in earlier this month, has had to fend off charges of betrayal. By contrast, Mrs Ciller appears to have been strengthened by

Islamist Welfare party, playing to nationalists. denounced Mrs Ciller for hav-Athens moved last year to ing compromised under westassert its sovereignty in the ern pressure.
"Why are we taking our own.
flag down and withdrawing
from our own soil?" Mr Aegean, planting flags on uninhabited Greek islands off the Turkish coast and promoting a plan for settlers to move to Greek islands deserted in Greece's new prime minister, recent years.

Mr Costas Simitis, faced an The latest conflict began last week when it emerged that in December, the captain of a Turkish ship that ran aground down from a pledge made on on the islet had refused assis-Tuesday that the flag would tance from a Greek tug, on the grounds that the territory

belonged to Turkey.
Hurriyet, one of Turkey's
best-selling newspapers, had
escalated the crisis on Sunday when it sent a group of report-ers to one of the disputed islets to replace a Greek flag with a

### A leftwing lawyer rets Polish verdict

**Inthony Robinson** 

emergence of Mr dzimierz Cimoszewicz as e most likely successor to he disgraced Mr Jozef Oleksy as prime minister of Poland's leftwing coalition government could be the first step towards healing the political wounds reopened by the recent presi-dential election campaign and the forced resignation of Mr

The 45-year-old lawyer comes from the ranks of former communists who turned over a new political leaf when the communist party disbanded after its humiliating moral defeat in the semi-free elections of autumn 1989.

But, while most other former communist supporters joined the Social Democratic party led by Mr Alexander Kwasniewski when it was formed in 1990, he remained

This unwillingness to join the main successor party to the Polish United Workers' party - the full name of the old communist party - while remaining on the left of the historical dividing line of Polish politics, reflects his detervan muert realises that mination to maintain a degree such stark reductions in of political independence. thresholds may be too much to this distance from the swallow for

stream post-communist party makes him more acceptable to swallow for some member states which are proud of their traditions of domestic competithe Peasant party (PSL), the tion. So he has also prepared a junior coalition member, which had earlier proposed one of its own candidates as Brussels would take control of those mergers which fall prime minister. But in practice between the old and the new the PSL, a single issue party which serves the interests of thresholds and which have to be notified to more than one farmers, is more interested in retaining power than retainnational competition authority a more messy option, accord-

ing the premiership.
The PSL's grudging acceptance of Mr Cimoszewicz as prime minister is likely to be paid for by concessions in other areas. It wants more influence over key ministries such as privatisation, cur-



Cimoszewicz: A leftwinger known for his independent views

Kaczmarek, a strongly pro- next 14 days, Mr Cimoszewicz Mr Changespriez could also be more acceptable to those within the opposition Freedom Union, the former Solidarity party, who argue that Poland needs a political realignment to replace historical divisions with new alliances based on

common interests. In key areas such as European Union and Nato membership, privatisation and free trade, the reform wing of the SLD has more in common with the free-market wing of the Freedom Union than with the protectionist and xenophobic Peasaut party. If he manages to win sufficient support from the current coalition to win a

rently held by Mr Wieslaw vote of confidence within the privatisation SLD member. could cautiously move towards a Polish-style "historic com-

In 1990, when the memory of communist rule was still fresh and leftwing prestige at a low ebb, Mr Cimoszewicz stood as the leftwing presidential candidate, but it was a quixotic gesture. He was eclipsed in the first round by an obscure Canadian-Polish businessman called Stan Tyminski.

However, he became minister of justice when the former communists returned to power in September 1993 and then deputy speaker of parliament after the reshuffle on March 1995 which gave Mr Oleksy

### Chirac takes his security ideas to US

By David Buchan in Paris and Bruce Clark in London

President Jacques Chirac will today put to the US government his hopes for a reformed Nato that would vindicate France's decision to move closer to the alliance after three decades of estrange-

Struggling to rehabilitate his international image after a controversial series of nuclear tests in the Pacific, Mr Chirac, will be laying out France's new ideas on European security at the White House and the US

So far, France's dramatic two-month-old promise to reintegrate partially with Nato has only had limited practical consequences - an upgraded French presence in certain alliance committees and institu-

But as Mr Chirac will tell his US hosts, these moves reflect a significant change in French thinking an admission that for the foreseeable future, the Atlantic alliance will be

Europe's main defence club. "France has understood that Nato is the primary security organisation in Europe," said Mr Philip Gordon, a fellow of the International Institute for Strategic Studies.

French officials are acknowledging that efforts to build up an independent European defence capacity, starting with the Strasbourg-based Eurocorps, have proved much harder and more time-consuming than hoped. "The European [defence] pillar will be in Nato," one said.

This means that Paris will soft-nedal on its earlier ambitions to upgrade the 10-nation Western European Union into an organisation which could Editorial comment, Page 21

eventually supersede the Atlantic alliance. French officials retain their belief that the US engagement

is fragile and should not be relied on for ever. But they are more willing than before to accept the argument that Europe should take as much US heip as it can get. Observers say this change of stance will be easier for

France's political class to accept if President Chirac can demonstrate that Nato itself is evolving in acceptable ways. Despite the fanfare over the French policy change in Brussels last December, France remains outside alliance's military structure - nor will it find it palatable to rejoin as long as the structure is over-whelmingly dominated by US

US defence chiefs, for their part, remain cautious about committing armour and electropics to Europe unless they cam determine how they will

In the short term, Presidents Chirac and Bill Clinton will be trying to resolve a two-year deadlock over the terms on which European-only military missions might borrow Nato assets, which are mainly Amer-

The French president will also flesh out a proposal for a political dialogue within Nato on nuclear arms. Officials in Paris say this idea should not be interpreted as a move to give French nuclear weapons a pan-European role.

"The European deterrent is not for now," said one official. "We must build the walls [of European defence] first, and then perhaps add a nuclear

### EUROPEAN NEWS DIGEST

### Bundesbank cuts repo rate

Short-term German interest rates were given a significant nudge downward yesterday when the Bundesbank's securities repurchase rate dropped 0.15 points to 3.4 per cent, its lowest level for more than eight years. The relatively steep fall in a rate which guides Germany's short-term money market rates, triggered an identical drop in the Belgian central rate to 3.4

The repo was last set below 3.4 per cent in November 1987, when it stood at 3.25 per cent. But while yesterday's drop prompted speculation about cuts in the discount and lombard rates, the general view in Frankfurt was that today's meeting of the Bundeshank council would leave these unchanged at 3 per cent and 5 per cent respectively.

Bankers argued that the Bundesbank would want to assess the effects of its half percentage point reductions in the discount and lombard in mid-December before acting again. After relatively strong money supply growth in December, the bank was expected to wait for January's money supply data, due in the second half of February, before considering further

Mr Ulrich Ramm, the head of Commerzbank's economics department, pointed out that rate cuts could further unsettle long-term interest rates, which have recently moved up alightly after a protracted fall.

Peter Norman, Bonz

#### Albania bar on ex-Communists

Albania's constitutional court yesterday ruled in favour of a law berring former Communists from office until 2002, dashing the hopes of leading opposition figures of running for parliament in this suring's general election. The government introduced the so-called genocide law last year to prevent officials of the former Communist regime standing for parliament or applying for jobs in the judiciary or state media until the year 2002.

The court also backed a law calling for the creation of a nine-member committee with access to former secret police files. The committee will issue certificates to politicians stating they did not collaborate with the old regime, which will then allow them to stand in elections. The court chairman said in his ruling: "It is the authors, creators and enforcers of that savage and inhuman dictatorship (Albania's four-decade Stalinist regime) that the constitutional law denounces."

The outcome has drawn an angry response from the two opposition parties, which branded the court a tool of President Sali Berisha's governing Democratic party. Reuter, Tirono

#### Hoechst pledges improvements

The German chemical group Hoechst will allocate DM150m (\$100m) to upgrade its monitoring, measuring and training facilities following protests over the way it reacted to two large chemical spills at the weekend. It may also consider closing one of the plants involved. In a contrite speech atmed at trying to restore public confidence in the company, Mr Jürgen Dormann, its chairman, said there would be a thorough investigation into the accidents, why there had been no public information immediately after the leaks, and into communication problems between the company's various

In the first accident, last Saturday, a lid blew off a large vacuum dryer and tore a hole in the roof of a plant in Griesheim, near Frankfurt. A ton of pesticide, containing a substance which causes cancer in rats, then spewed into the air. However, Hoechst employees took more than an hour to notify the company's fire department. In the second accident, on Sunday, chemicals boiled over for more than three hours in a distillation machine. In that case, the department waited until Monday before telling the the company's

#### Berlusconi faces new charges

Anti-corruption magistrates in Milan have asked for Mr Silvio Berlusconi, the former Italian premier, to be sent for trial on a embracing 21 people including Mr Bettino Craxi, the exiled former Socialist leader, relates to the channelling of allegedly illegal funds to politicians via the offshore subsidiaries of Mr Berlusconi's Fininvest business empire.

The move follows the handing over by Swiss judicial authorities last December of documents connected to Fininvest's financial transactions in Switzerland, Fininvest lawyers deny any of the funds passing through its offshore subsidiaries have been illicit.

Milan judges are considering two other requests for Mr Berlusconi to be sent for trial on charges of falsifying accounts and tax fraud. Mr Berlusconi was in court last month on charges of being involved in bribes paid to members of the Guardia di Finanza, the financial police, to ensure favourable tax inspections of Fininyest companies. Robert Graham, Rome

#### Buying back the Berlin Wall

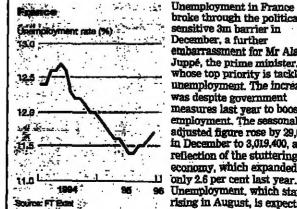
Former owners of ground occupied by the Berlin Wall will be allowed to have their property back, provided they pay a quarter of the current market value, Germany's governing coalition parties proposed yesterday. The compromise, reached after five years of wranging between former owners and the finance ministry, could end a category of property disputes which has plagued investors in Berlin. Those who had property along the eastern side of the Wall

had not been entitled to restitution or compensation. The federal government, especially the finance ministry, had argued that since property along the Wall had been under the former east German defence authorities, these lucrative property sites should automatically pass to the federal government after reunification in 1990.

Yesterday's proposal was criticised by the opposition Social Democrats. They insist the property should be returned to its former owners immediately and without conditions, because they believe former owners are unlikely to be able to afford the buy back their property.

French jobless total tops 3m

ECONOMIC WATCH



broke through the politically December, a further embarrassment for Mr Alain Juppé, the prime minister. whose top priority is tackling unemployment. The increase was despite government measures last year to boost employment. The seasonally adjusted figure rose by 29,000 in December to 3,019,400, a reflection of the stuttering economy, which expanded Il only 2.6 per cent last year. 96 . 96 Unemployment, which started rising in August, is expected to continue deteriorating during the first half of the year. Recent estimates suggest

economic growth this year might be only 1.6 per cent, against the 2.8 per cent level required to compensate for jobs lost through corporate productivity gains. The latest figures will also further undermine consumer confidence, which the government has tried to bolster this week with a cut in base rates and a 25 per cent tax deduction on loans for consumer goods for two years after purchase. Paul Abrahams, Paris ■ Finland's gross domestic product rose in November by 0.2 per cent month-on-month and 2.9 per cent year-on-year. Austrian unemployment in January was 3.7 per cent, compared to 3.9 per cent in December

### raises doubt on Start 2

A senior politician warned yesterday that the Russian parliament was unlikely to ratify the Start 2 nuclear arms reduction treaty with the US before the presidential elections in

parliament's foreign affairs commission, said that the Communist-dominated legislature would probably block President Boris Yeltsin's promise to secure approval by mid-April. The US Senate ratified the treaty last

Mr Vladimir Lukin, chairman of the

week, adding to the international pressure on the Kremlin to push the deal through in Russia. Over the weekend Mr Yeltsin sought to appease his for-eign counterparts by promising to persuade parliament to approve Start 2 endorsed the treaty it might attach new

before a summit meeting on nuclear security due to be held in Moscow in mid-April. His government is presently in tricky negotiations with the Interna-

tional Monetary Fund for a \$9bn loan. But Mr Lukin, a former Russian amhassador to the US who strongly supports the agreement, warned vesterday that trying to push the agreement through a hostile legislature prematurely could backfire.

"If we are talking about April, this seems unacceptable," he said. "I would rather have this important treaty ratified after the elections than have it rejected before then." Mr Yevgeny Primakov, the foreign

minister, said yesterday he hoped parliament would ratify Start 2 this spring, but added that even if the legislature the pact will not be subject to revi-

nationalist politicians, who are gearing up for the presidential poll scheduled to be held on June 16, raised fierce objections to Start 2 and warned they might vote against it in parliament. Together, the Communists and ultranationalists could easily defeat the

In an attempt to appeal to the increasingly nationalist mood of the disgruntled Russian electorate, both Communist and ultra-nationalist politi-cians, including Mr Gennady Zyuganov, the urbane Communist party leader,

conditions. "But we hope the essence of to maintain its great power status, the pact will not be subject to revi-Earlier this week, Communist and

warned that Nato's plans to expand eastward could force Russia to reject the arms reduction deal in order about half their present level.

stronger anti-western shift in Russia after the presidential vote, has increased political and diplomatic pressure on the Yeltsin administration to secure approval for the treaty this spring. Some observers believe that rejection of Start 2 in Russia could also have an impact on presidential elections this year in the US because of the strong support the Clinton administration has given Mr Yeltsin from the out-

When it was signed in 1993, Start 2 was halled as a historic breakthrough in efforts to cut the world's nuclear arsenals. It obliges both states to cut their strategic nuclear stockpiles to between 3,000 and 3,500 weapons each.

### EU patent licensing reform shelved

European industry represen-

tatives welcomed the

announcement. "Everyone is

By Caroline Southey in Brussels

The European Commission yesterday bowed to industry pressure and abandoned controversial plans for a radical reform of rules governing the licensing of patents in the EU. Following fierce opposition from European industry, Mr Karel Van Miert, commissioner for competition policy, was forced to drop proposals that would have barred companies with more than a 40 per cent share of a market from taking advantage of exemptions from competition rules for technol-

ogy licensing agreements.

Instead the Commission lim-

ited itself to streamlining the rules governing how companies reach exclusive licensing agreements to protect their patent rights or technical know-how in technology licensing agreements. Mr Van Miert said the thrust

of the reforms was to "simplify things" by rolling together two sets of rules - those covering licensing block exemptions for patents and those covering know-how - to create a new technology transfer block exemption regulation. EU officials said the changes

would reduce regulatory costs

for companies as most licence

agreements contained elements of both know-how and patents.

pleased that the regime has been streamlined and made more user friendly. But the Commission risked undoing all the good that has been achieved for industry by attempting to impose an unworkable market share limit," said Mr Alec Burnside, a partner at the law firm Linklaters & Paines in Brussels The Commission had pro-

They will not now have to do

posed that companies with more than 40 per cent of a market would be obliged to notify the Commission of licensing

between companies which hold more than 40 per cent of the market. If the Commission decides an agreement has led to "complete distortion of competition", it can withdraw the benefits of the block exemption. This would involve the Commission scrutinising, and possibly prohibiting, the deal. the question of market share would be considered as an "ele-

so although the Commission, if

made aware, will pay special

Mr Van Miert stressed that ment in the assessment of an agreement. The fact that a company has 40 per cent market share will not in itself. access to new technology by mean the Commission will

attention to agreements The block exemption sets out a "white list" of provisions companies can include in their agreements without falling foul of the competition rules, and a "black list" of conditions which are not allowed. Provided an agreement contains no blacklisted conditions, a company can assume it is exempt

reach a negative decision," he

The Commission's original proposal emerged because of fears block exemption had enabled big business to monopolise the market in certain products and prevented

### Civilian co-ordinator begins 'implementing' peace in Bosnia

### Bildt plays midwife at rebirth of nation

By Lionel Barber in Brussels

A month after taking on one of the toughest jobs in international diplomacy, Mr Carl Bildt, the civilian co-ordinator in Bosnia, is up and running.

He has offices, phones, a team in place in Brussels and Sarajevo, and, most important, money. This is progress. In the New Year, Mr Bildt was so strapped for cash that he withdrew DM300,000 (\$200,000) from a European Union account in Brussels, stuffed it in a suitcase, and spent it in Sarajevo setting up shop.

The contrast with Nato's smooth deployment of the Ifor peacekeeping force prompted US criticism that Mr Bildt had made a sluggish start. But now that the Nato-led military operation is virtually in place and the former warring parties in Bosnia are broadly complying with the provisions of the Dayton peace accords, Mr Bildt is coming into his own

His job - reporting to nearly a dozen international agencies including the EU and the United Nations - is to "implement" the peace. He must oversee tasks such as policing. humanitarian aid, and reconstruction. Above all, he must prod Serbs, Croats and Bosnian Moslems toward rebuilding a shrunken nation ripped apart on ethnic lines in the worst

Man

on a

edly:

ounts

ij be

ached

r the

ocial

o its

cally

Main

kling

rease

wst

ally

29,000

1, 2

ng ed

ected

ainst

wΩ

1350

, Paris

0.2

uest, 🌠

war in Europe since 1945. "The military side in Bosnia is of critical importance, but it Moslem territories to the exclu-

is not decisive," said Mr Bildt sion of the Republika Srbska. during an interview this week in Brussels. "Economic development is the key to political

This week, he told EU foreign ministers that the difference between success and failure in Bosnia would be clear by the end of the year. By that time, elections should have taken place and the joint political institutions should be operating independently of Ifor (which is due to withdraw after

one year anyway). Unless the joint political institutions were in place, said Mr Bildt, there was little chance of solving the country's horrendous economic problems or ending a situation where more than three in four people depended on foreign food aid.

It was a typically robust performance. A former prime minister of Sweden, Mr Bildt, 46, has a touch of youthful brashness as well as a first-class brain. These qualities have sometimes grated, notably with Mr Hans van den Broek. the EU commissioner for external political affairs, who views

Bosnia as his priority. In his interview, Mr Bildt made clear that he sees economic reconstruction driving political reconciliation. His worry is that "the wheels are turning too slowly". The World Bank, co-leader with the EU on reconstruction, is favouring projects in Bosnian

Bank officials argue that their work has been hampered by lack of access to the Bosnian Serb territories. But Mr Bildt says that now there is freedom of movement on the Serb side. "visible" projects are needed to encourage the forces of moderation in the autumn

He believes free elections will help resolve vexed issues such as war crimes, "Radovan Karadzic [the Bosnian Serb leader] is not going to turn himself over voluntarily. You need to change the political

Mr Bildt is alert to charges that he may be tilting too far toward the Bosnian Serbs in his search for political reconciliation. Therefore, he intends to produce a far-reaching assess ment of human rights at next June's international peace implementation conference under the chairmanship of Italy, which currently holds the EU presidency. He also wants the Union -

which is expected to stump up more than a quarter of the estimated Ecu4bn (\$5bn) for Bosnian reconstruction - to take the lead in promoting regional co-operation between the Bosnian Federation, Croatia, Serbia, the Republika Srbska, and other former Yugoslav

Once again he is walking through a political minefield: the US is adamant that assis-



**NEWS: EUROPE** 

Mr Carl Bildt pictured last autumn in Sarajevo at the height of his mediation effort

tance must be tied to human rights and retribution against war criminals. Mr van den Broek and the European Commission stress that each republic should be treated on its

Mr Bildt is clear that much is riding on Bosnia, not just for the EU but also for the transat-Inntic alliance.

"This is an example of US and Europe working together. When they did not co-operate in 1993 and 1994, it had a negative impact on negotiations to end the war. When they started to sing the same song in 1995, the situation changed. Hence his message to Washington to stay the course and not to focus solely on an "exit strategy" in a presidential elec-tion year. "We need the Americans involved, politically and economically."

Yet he agrees that the Bosnia operation has limits. "We are not going to be involved at this high level for more than a year. In the end, we have to say to the parties that it is your peace, your future. And the clock is running."

### Scalfaro gives party leaders time to reflect

By Robert Graham in Rome

President Oscar Luigi Scalfaro yesterday delayed a decision on resolving Italy's three-week government crisis in order to give political leaders a final 24 hours of reflection.

He appeared to be hoping that sufficient consensus could be found on a formula to proceed with constitutional reforms, including reinforcing the prime minister's role.

Throughout the day there were conflicting signals on the possibility of an agreement that would require a govern-ment to last at least 18 months in order to overhaul the consti-

Members of Forza Italia, the rightwing movement headed by former premier Silvio Berlusconi, were optimistic agreement could be reached. They also indicated their allies in the rightwing National Alliance had accepted a compromise over the new powers to be accorded the prime minister and head of state.

Mr Massimo D'Alema, leader of the Party of the Democratic Left, and the dominant figure in the centre-left coalition backing the outgoing premier, Mr Lamberto Dini, said prog-ress had been made. But he warned that the Berlusconi camp was still divided on who should be the next prime minister and the precise nature of

wound up two days of consul tations - the third round since Mr Dini was forced to resign on January 12 after he completed his limited mandate.

He has three basic paths open to him: • to conclude that an agreement between the parties is impossible and call elections in mid-April;

 to appoint a prime minister to manage a government until June, to handle Italy's EU presidency and prepare the 1997

 to ask someone to consider heading a government to draw up institutional reforms and manage the economy with a

view to elections in mid-1997. The president is extremely reluctant to dissolve parlia-ment and most political leaders are anxious to avoid elections this year. This may prompt him to ask Mr Dini or a prominent political figure such as Mr Giuliano Amato, a former premier, or Mr Carlo Scognamiglio, the Senate speaker, to explore further the chances of forming a more lasting govern-

Cautious political commentators pointed out that negotiations have proved so tortuous over the past 20 days that any deal risks coming undone quickly. This in the end may force President Scalfaro to conclude the best solution is to opt

### Clamour to start at bottom of EU

By Hugh Carnegy in Stockholm

Indignation over revelations that a European Union official in Helsinki was paid more than the prime minister has prompted Finland to question the level of EU salaries with its Union partners.

Finland's finance ministry said yesterday it wanted a discussion about the pay and allowances for EU employees when talks begin this month on the Union's 1997 budget. "Our idea is not as such to

bring about lower pay," said Mr Vesa Rantala, the finance ministry official charged with investigating the issue. "Our basic concern, like other countries, is to achieve maximum cost efficiency in the EU. But it might in the longer term mean that these (EU) pay levels will adjust more in line with national pay levels."

Mr Rantala said his department's research showed that EU officials received two to three times more in net remuneration than their Finnish counterparts.

The Finns are set to receive enthusiastic backing from the neighbouring Sweden. The issue is a potent weapon for the anti-EU camp in the two new EU members, especially in Sweden, where opinion polls show a majority of the electorate hostile to membership,

The flerce debate erupted when it emerged recently that a Finnish journalist hired to be the information officer at the EU delegation office in Helsinki was paid some \$3,000 per month more after tax than Prime Minister Paavo Lippo

Mr liro Vlinanen, then the finance minister, denounced the difference as unacceptable, Mr Vlinanen later resigned after five years as finance minister to join the private sector as chief executive of the insurance group Pohjola.

According to the Finnish media, EU salaries are so attractive that 700 Finns applied recently for a caretaker vacancy advertised by the

### Denmark urged to tackle Commission over feta decision

By Hilary Barnes in Copenhagen

A European Commission proposal to stop Denmark selling soft white cheese as feta would be "bound to have an influence" on prices in the dairy sector throughout Europe, according to the Danish dairy indus-

The Commission proposal that feta be defined exclusively as sheep's milk cheese made in Greece would force the Danish industry to dump cheese it currently exports as antive market for the product more

and the second section of the second section in

said Mr Hans Arne Christiansen, an official of the country's Dairy

If the EU commission proposal was implemented, these EU export subsidies for Danish feta would cease, Mr Christiansen said the consequent rise in the price in Iran, Saudi Arabia and other Middle Eastern countries would cause the Danish market for feta to collapse. "We would have to find an alter-

feta on to the European market, or less overnight. It would be bound to have an influence on the price level throughout Europe," he said. Denmark is responsible for about

six per cent of Ruropean Union cheese production - it made about 290,000 tonnes last year of which about 260.000 tonnes a year was exported. About a quarter of Denmark's output - about 74,000 tonnes was feta, almost all of which was exported. Nearly half of Denmark's exports, including about 65,000 tonnes of feta, is exported to non-EU

countries, with the support of substantial EU export subsidies. Commission officials argue that the Danes can still export their feta

under another name. But the Danes say there is a second EU threat to their feta exports the commission has proposed, under food additive rules, to ban the use of a bleaching agent, Patent Blue, with effect from July 1. Without this agent, Danish cow's milk feta will be yellow, instead of white, the natural colour of Greek fets.

The Dairy Board doubts whether consumers would buy yellow feta, sold under a new name as readily. The industry is in talks with the commission to find a solution. Danish feta production has fallen from a peak level of about 120,000 tonnes a year as export markets - notably

Iran – have weakened. Producers have diversified into other milk products without upsetting the European market, but Mr Christiansen said this happened over several years and could not be compared with the problems that an overnight stop to exports of large would cause. The Dairy Board is urging the

Danish government to take legal action to stop the Commission implementing its decision, or to have the decision declared null and void, on the grounds that the decision is in conflict with the 1992 Council resolution laying down European law on geographic name protection.

**NEWS:** INTERNATIONAL

### Global fund managers make tracks for Africa

The 'final frontier' of the world's emerging markets is producing dramatic returns, writes Jeffrey Gettleman

s Marianne Hay is so bullish about Africa that she has invested a third of her personal savings

in African markets. The region has just finished making the necessary changes that other emerging markets underwent years ago," said Ms Hay, manager of the \$250m Morgan Stanley Africa Invest-ment Fund, the largest specialist fund on the continent.

Africa, usually associated with debt, disease and disaster. is now earning itself a name for healthy returns for foreign investors. Over the past 12 months, investors in the continent's emerging markets have seen their outlays grow by 40 per cent.

Africa is considered the final frontier of the world's emerging markets. In 1993, only 4 per cent of emerging market port-folios flowed to the region. But after South Africa's transition to democracy in April 1994, and a wave of market reforms in many neighbouring countries, Africa's investment climate is becoming much more hospita-

To ay fund managers, eager to diversify their portfolios and aware of the shrinking gains from more mature emerging markets, are attracted to Africa. More money flowing to the region has increased activity on the region's bourses and improved local business practices. "The presence of Africa funds means big chunks of money are out there which provide incentives for privatisation and put pressure on governments to improve their policies," said Mr Kader Allaoua, senior economist at the Inter-national Finance Corporation in Washington, the private sector arm of the World Bank.

Within the past two years, 12

On average Pan Africa funds have at least 30 per cent of their investments in markets outside of South Africa and a number of funds such as the \$40m Framlington West Africa Growth Fund have been launched to invest exclusively in the region's smaller mar-

kets continues to grow.

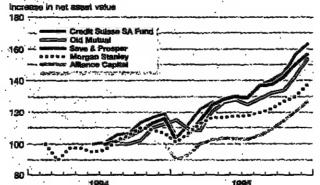
While many of the world's

institutions have formed Africa funds worth nearly \$1bn. Last November, Baring Asset Management, Framlington and GT Management all launched funds in London. Most of the funds are close-ended, listed on stock exchanges in London and New York and aimed at large institutions which can bear the high risk usually associated with emerging markets. How-ever, a few of the unlisted funds, such as the \$9m Credit Suisse South Africa Fund, offer individuals a chance to invest as little as \$1,600.

According to Mr Miles Mor-land of Blakeney Management which specialises in research on Africa and the Middle East, the first wave of Africa funds created in early 1994 concentrated heavily on South Africa. But this had changed recently and the split was now 65/35 in favour of other African mar-

He believes South Africa's share will continue to decline over the next two years as interest in other African mar-

Top five performing Africa funds



queasy in 1995 from the so-called tequila effect of Mexico's financial crisis in December 1994, fund managers point out that African markets surged, with gains exceeding 100 per cent in dollar terms in Nigeria and Ivory Coast.

Until recently, the majority of Africa's 16 stock markets were closed to foreigners, while many of the largest companies were governmentcontrolled. But at the same time as foreign investment restrictions were abolished over the last three years, hundreds of state-owned enterprises were privatised. That allowed foreign investors to snap up stakes in African companies at attractive prices.

This year will be another big year for new issues: Kenya Airways, the largest airline in East Africa, is scheduled to have a public listing in April following a deal signed with emerging markets were still KLM last week; and Zambia

Consolidated Copper Mines, one of the world's largest copper producers, is intended to be privatised later in the year. "African governments are beginning to realise that equity can be a great way to raise money," said Mr John Niepold, manager of the Washington-

based \$65m Africa Emerging

Market Fund. "The region is finally starting to follow the rest of the world, and investment attitudes are changing. Fund managers like Mr Nie-pold are not only banking on this change, they are helping ensure that it happens. The absence of custody used to be the biggest impediment for foreign investment in Africa: the Securities and Exchange Commission requires managers of US-registered funds to use custodial banks like State Street of Boston to safe-keep certifi-

cates of ownership for overseas equity settlements. "We've pushed custodial

banks very hard, and because of us, there's now custody in all African markets," said Mr Niepold. Africa funds have also helped improve liquidity in markets attractive to fund managers such as Botswana. Ivory Coast, Mauritius and Zimbabwe. In Harare the volume of trading has increased by 400 per cent since the bourse opened to foreigners in June 1993. Today Africa funds account for 60 per cent of the \$63m of net foreign investment, according to information from consultancy Fund Research and the Zimbabwe stock exchange. "Because they don't

ing this market much more liquid," said Mr Savvas Kyriakides, a Harare stockbroker. The presence of foreign funds is reinvigorating not only African finance but also African business, "Fund managers demand up-to-date, accurate corporate reporting and as a result, disclosure has been rapidly improving," said Chris-topher Hartland-Peel, a London-based specialist on African

hold on to stocks as long as

locals, fund managers are mak-

Local brokers, who previ-ously provided little or no market analysis, are also reforming the way they do business, said Mr Kofi Bucknor, executive director for Africa at Lehman Brothers, the US investment bank. "African brokers are becoming a much more professional community, providing us with useful research," he said.

The impact of Africa funds is not limited to the private sector: government macroeconomic policy in Africa seems to be yielding to the influence of foreign investment.

"The presence of Africa funds is helping increase the pressure on African governments to produce sound eco-nomic policies," said Mr Kader Allaoua, an IFC economist. However, volatile exchange rates and rising inflation

remain concerns. Foreign funds of \$1bn cannot be expected to cure Africa's financial ills, and reform must continue, said Mr Michael Power, Barings' global strate-gist. "Political instability, exchange rates and illiquid markets are still big risks for foreigners," he says.

Zimpapers, Zimbabwe's national newspaper publisher, is an example of that illiquidity. Its value increased by 141 per cent in 1995. Because of the lack of sbare activity, however, an investor would be unlikely to be able to purchase more than 200,000 shares, worth less than \$100,000, without driving the price up. And then he might well be unable to sell the shares for months, accord-

"The pickings are lean," said Dr Mark Mobius, who manages \$7bn of worldwide funds for Templeton, and recently returned from a bargainhunting trip to the continent. "But all the signs of reform have been encouraging, and now's a good time to look for deals in African markets." Mr William Murungu, of Dis-

count Securities in Nairobi. agrees, "If foreigners come today. I can't see them making losses here."

### INTERNATIONAL NEWS DIGEST



### Lebanon tries to curb deficit

The Lebanese parliament yesterday approved a L£6,450bn (\$4.15bn) 1996 budget after a stormy five-day debate in which deputies heavily criticised the government of Prime Minister Rafik al-Hariri, above. Two ministers walked out in anger on the final day and a prominent opposition deputy wrote out his resignation, handed it to the Speaker and stormed out as accusations flew across the chamber and tempers frayed.

The government described the 1996 budget as a serious attempt to reduce spending, curb the ballooning public debt and put public finances in order. It sets 1996 income at L£4,022bn, 28 per cent up on 1995, and expenditure at 15 per The budget includes a 38 per cent deficit of income against

year, which the government exceeded.

Deputies called the plan optimistic and doubted that the government could hold the deficit to 38 per cent. According to financial sources the final 1995 deficit was around 47 per cent. The 1994 deficit reached 57 per cent after parliament approved 43 per cent. Some economists have expressed concern about inflation and currency stability if heavy deficits

expenditure compared with a planned 44 per cent shortfall last

#### Tajik rebels launch big attack

Rebels in Tajikstan supporting an Islamic opposition launched a large-scale attack yesterday against government troops, the defence ministry said. The attack in the former Soviet republic took place as talks were under way between the Talik government and opposition to end their bloody conflict.

The rebels, supporters of Moslem and democratic groups, were defeated in a vicious 1992 civil war and many fled south to neighbouring Afghanistan. They now wage cross-border raids aimed at destabilising the government of President Emomali Rakhmonov. Mr Rakhmonov is backed by Moscow and propped up by thousands of Russian troops stationed along the border with Afghanistan.

In Moscow, President Boris Yeltsin said that Russian soldiers would not engage in combat operations in Tajikistan. He said they would help guard military facilities and the border. Mr Yeltsin claimed to be responding to reports that visits to Tajikistan over the weekend by his defence minister, foreign minister and top security officials indicated Russian forces were preparing for "large-scale" combat in the Central

### IMF deal closer as Kenya acts on port corruption

By Michael Holman, Africa Editor

Prospects for an end to the three-year stalemate in relations between Kenya and the International Monetary Fund rose yesterday with the appointment of a respected businessman as chairman of the troubled Kenya Ports

Authority. The government's failure to tackle corruption at the port has been one of the obstacles to greement on a \$200m IMF enhanced structural adjust-

ment facility for Kenya. The choice of Mr Robert Breneissen, a former managing director of the Bamburi Portland Cement Company, was seen as further evidence that the government has taken seriously widespread complaints about mismanagement at

Mombasa's port. The authorities recently forced the port's managing director and 17 senior civil servants to go on leave to permit investigations of corruption.

prompted by the disappearance of more than 1,200 vehicles impounded by Customs prior to a public auction, and estimated to have cost Kenya Ks7.5bn (\$130m) last year.

Although the chief executive of the Ports Authority is the managing director, Mr Breneissen could nevertheless wield considerable power, having been appointed by President Daniel arap Moi.

IMF's concern at levels of state leading bilateral donors,

The investigation was spending and the need to increase government revenue, are thought to have been brought close to resolution following nearly two weeks of talks with a visiting IMF team.

The Kenyan cabinet is expected to discuss IMF proposals in the next few days, and an official announcement on the outcome could be issued by mid-February, say officials.

If agreement is reached with the Fund, the World Bank will Other issues, including the release more assistance, and

to resume programme aid. Opposition politicians

ment intentions, doubting that the latest anti-corruption measures will be followed through. Mombasa is the largest port on the Indian Ocean's African coast north of Durban, South Africa, and serves Uganda, Tanzania, Burundi, Rwanda

and north-eastern Zaire. Port users complain not only of corruption, but delays in loading or unloading ships and

toms. Users outside Kenya have threatened to switch to remain sceptical about govern- Dar es Salaam in Tanzania. Local port users welcomed Mr Breneissen's appointment and hoped it would lead to

> Gershon Kondíti, deputy executive director of the Federation of Kenya Employers.

### including Britain, are expected in clearing goods through cus-

increased efficiency. "Congestion has been the main problem at the port and when you have that, people are going to seek favours and corruption is a favour," said Mr

### **Battered Democrats** win Oregon

Oregon is to have its first Democratic US senator in 29 years with the election of Congressman Ron Wyden to fill the remaining years in the term of Senator Bob Packwood. Mr Wyden, a 15-year member of the House of Representatives, narrowly beat Mr Gordon Smith, a conservative agribusinessman and Republican

state senator, by 48-47 per cent,

with four minor candidates splitting the remainder of the His victory, announced on Tuesday, is vital for a battered Democratic party as a launching pad for the national congressional campaigns later this year. It reduces the Republican majority in the Senate to 53-47. It also gives Democrats added hopes of capturing in Novem-

who has announced his retire ment. Mr Packwood was forced to resign last year over charges of sexual harassment and had nearly four years to run.

The contest was the first congressional election ever conducted by postal ballot, held over a three-week period, and it won a turn-out of about two-thirds of registered voters, very high by recent US stan-dards. This helped Mr Wyden, because registered Democrats outnumber Republicans in Oregon by 45-38 per cent. But the other central factor in his success appears to have been that over the last three weeks he dropped much of the negative advertising that had marked the beginning of both cam-paigns, appealing to many vot-ers fed up with a steady bar-rage of "slash and burn" radio and TV commercials.



Mr Wyden said afterwards that his state had sent out a national message that the Republican agenda in Congress was too extreme for most tastes. But whereas he had begun by painting Mr Smith as a clone of Mr Newt Gingrich. the House speaker, he increas-ingly emphasised the positive aspects of traditional Democratic policies on health, education and the environment.

His victory will come as

assurance to President Bill Clinton, who carried Oregon by nine points in 1992. But the president said yesterday he did not intend to align his own reelection campaign too closely with those of his party's congressional candidates. He thought an appeal to the coun-

try based on party loyalty alone "would probably be self-defeating." That implies recognition of the fact that presidential coat-tails have

been short or non-existent in most recent elections, with Americans quite possibly pre-ferring a president of one party and a congress controlled by the other. But congressional Democrats

must take heart from Mr Wyden's victory, wafer-thin slim evidence of last November's local elections in Virginia, Maine and Kentucky of a Republican tide on the ebb

slide and subsequently in several defections of conservative Democrats in Congress

however, remains a long shot in spite of a recent spate of Republican retirements, including Senators Hatfield, William Cohen of Maine and Nancy Kassebaum of Kansas Some surveys suggest the bet-ter Democratic chance may lie AMERICAN NEWS DIGEST

### Venezuela may lift forex curbs

Mr Luis Matos Azócar, Venezuela's finance minister, has told Congress the government is likely to remove foreign exchange controls on current transactions in May.

The lifting of controls, considered a necessary step in reaching a standby agreement with the International
Monetary Fund, had been expected in the first quarter. A
liberalisation of foreign exchange restrictions on capital account transactions, also in place since June 1994, would occur gradually after May, finance ministry officials said. Mr Matos also said the current fixed exchange rate would in

May be replaced by a system in which the bolivar would float within a band established by the government. Some economists think this may increase inflationary pressures which are already strong following December's 41 per cent devaluation. January's inflation rate jumped to 13 per cent and which the government estimates this year's inflation to be 50 per cent, independent analysts say 90 per cent is more

● The government has announced the sale of its remaining 49 per cent state share in the telephone company, CANTV. An initial 35 per cent share to be sold before the end of the year

#### US wholesale prices up 0.5%

US wholesale prices rose 0.5 per cent in December, the Labor Department said yesterday, matching November's rise as energy costs reversed declines of earlier months. With the impact of often volatile food and energy prices

removed, the closely watched core rate was much more benign, rising only 0.1 per cent following a 0.4 per cent increase in November. Energy prices were clearly the villain, jumping 3.3 per cent in December after falling for six months in a row. They fell 0.5 per cent in November. The department said the rise in energy was the largest since October 1990.

Petrol prices jumped 11.8 per cent and heating oil was up 11

per cent. Food prices rose only 0.1 per cent after increasing 1.2

per cent in November.

Reuter, Washington

#### Samper calls for fresh probe

Colombian president Ernesto Samper, facing mounting calls for his resignation, has called in Congress for the immediate reopening of an official inquiry into charges he accepted drug money to finance his 1994 election campaign. He said the investigation should resolve the crisis as quickly as possible. He said he would conduct his own defence. following the resignation of his lawyer. As he left Congress Senator Maria Equierdo launched into a description of how she had collected over \$30,000 in cash from the campaign treasurer's house on Mr Samper's instructions, in the presence of a Cali cartel

### Fresh bands fail to push Brazil currency lower

The Brazilian Real held steady yesterday after the central bank paved the way for a possible greater depreciation of the currency.

The bank announced late on Monday a 7 per cent adjustment in the band in which the currency is allowed to trade against the US dollar. But in a series of currency auctions the bank held yesterday morning, the dollar remained unchanged against the Real from Tuesday's close of R\$0.978. "The market has reacted very nicely," said the head of currency trading at a Brazilian bank. "There were some speculative attempts to test the central bank in early trading, but it acted quickly and markets are

As the dollar moved towards the ceiling of the old band over recent weeks, speculation grew on financial markets that a change was coming. Mr Gustavo Franco, the central bank's director of international operations, said the bank decided to

alter the band before speculation over an impending change unsettled currency markets

He described the move as a continuation of existing policy. The bank has announced three alterations to its exchange rate bands since the Real was introduced in July 1994. After its introduction, the Real was trading at R\$0.86 against the dollar.

"Whether or not the Real passes through the psychological barrier of parity with the dollar depends on market forces," Mr Franco said. "The

central bank only determines the upper and lower limits." Nevertheauctions and adjusted periodically in Mr Franco conceded that the central bank monitors and regulates movements in exchange rates according to macro-economic indicators.

The central bank publishes upper and lower limits for the dollar/Real exchange rate. The new band puts the rate between R\$0.97 and R\$1.06 to the dollar, the previous band was R\$0.91 to R\$0.99.

In practice, however, the dollar trades within "minibands" estab-

line with market pressures. Since the end of last week, the dollar has been trading in a miniband of R\$0.978 to Ren.983

"We have no pre-set path for the exchange rate," Mr Franco said. "The central bank looks at a series of factors, including foreign trade and the balance of payments." The strength of the Real has caused problems for exporters; last year, Brazil recorded its first trade deficit since 1960.

#### FT•JAPAN CLUB ANNUAL REPORT SERVICE

#### BANK OF TOKYO



The Benk of Tokyo Group, Japan's premier slobel international experience and more than 400 offices subsidiaries, branches and associated institutions

In the year ended March 31, 1995, the Bank posted the highest nonconsolidated net income of Japan's 14 major banks, and return on equity, at 4.8%, also ranked number one. In addition, the Group boasted a BIS capital adequacy ratio of 10.30%.

On April 1, 1996, the Bank of Tokyo and The Mitsubishi Bank, Limited, will merge to form the Bank of Tokyo-Mirsubishi, Ltd. The new bank, with superior capabilities to offer a broad array of financial services worldwide, will be well positioned to handle the challenges of the 21st century.





Founded in 1951, the Chugoku Electric Power Co., Inc. is one of Japan's 10 regional electric power utilities and maintains its head office in Hiroshima. The Company is a comprehensive supplier of electric power in the Chagoka region, with services encompassing generation, on, and distribution of electricity.

Situated in western Japan, the Chusoku region has a population of approximately 8 million people and covers an area of about 32,000 square kilometers.

While maintaining a total commitment to supplying superior services to its customers, Chagoka Electric will continue working as a responsible corporate citizen to promote regional industrial development as well as cultural, sporting, and other community-related events.

#### HITACHI



The corporate principal of Himchi, Ltd., which was founded in 1910, is to contribute to society through technology. In the 86 years since its inception, the company has become one of the world's leading manufacturers of electrical and electronic equipment with fiscal 1994 consolidated sales of ¥ 7,592 billion. 844 with itself 1994 consolidated sales of \$\pi\$ 7.592 follow, 844 consolidated subsidiaries, 238 of which are overseas companies, and more than 330,000 employees. Hitachi believes that corporate progress is driven by research and development. Annual expenditure of R&D amounts to over \$\frac{1}{2}\$ 490 billion, or about 7% of sales. Hitachi's main products are computers, semiconductors, telecommunication equipment, power generating equipment, industrial machinery and consumer products. Hitachi's shares are listed on eight stock exchanges in Japan and on exchanges in New York, Frankfurt. Amsterdam, Paris and Luxembourg.

### Arch foes join hands in \$1bn camera launch

Kodak and Fuji seek to revive family market

By Christopher Parkes in Los Angeles and Michiyo Nakamoto in Tokyo

Rastman Kodak of the IIS has linked with arch foe Fuji Photo Film of Japan to launch the consumer photography indus-try's latest attempt to revive the slow-growing family snap-

The 'advanced photographic of the advantages of conven-tional 35mm photography with The the benefits of digital cameras.

The venture represents a gamble - unofficially ticketed at more than \$1bm - that the world brand leaders in the fam-ily camera business can persuade consumers to trade up and reduce the price-depress-ing influence of unbranded commodity film and camera

In addition to Kodak and Fuji, the project includes Nikon Minolta, and Canon.

Despite their collaboration on the project, Kodak has waged a campaign for US trade action against anti-competitive measures allegedly used by Fuji to dominate its domestic market for film. Futi has vigorously denied Kodak's allega-

Fuji said that joint development of the new technology gle APS format. Joint work involved mainly

technical staff, so while there may have been "emotional problems" stemming from Kodak's accusations against Fuji, co-operation on the APS was of a limited nature and largely unaffected by the trade dispute. For product development and marketing, each company is on its own. Full

The project's membership has raised criticism in the Japanese press that it is virtually cartel. The companies involved hold a significant share of the world film and camera markets. Fuji and Kodak together have about 80 per cent of the US and Japanese markets.

This has raised fears that the participants might choose to trim production of conventional film and cameras in

order to boost support for APS. Fuji does not deny there is a chance that 35mm will eventually disappear - Fuji would not disclose its own production schedule. But it has no plans to halt 35mm production and it believes it is unlikely that camera companies involved will stop making 35mm models. The new cameras, laden with

consumer-friendly features, are over the past five years, was able to shoot in three picture

formats. The new 24mm film will be sold in enclosed cartridges which require no threading, and can be merely dropped directly into the new cameras.

Negatives are returned after processing sealed in the cartridges, together with an "index" of easy-reference thumbnail prints ready for storage in specially designed

The film surface is magnetically activated to store and deliver data - ranging from lighting conditions to date and caption information - which may be required by the proces-50r or camera user.

Mr George Fisher, Kodak chairman, in a ceremony last night hailed the new system as a "milestone" comparable with the introduction in 1900 of the Kodak Brownie and more recent successes such as the

Instamatic and colour film. The nine new Kodak APS cameras due on sale in April will be some 20 per cent smaller and up to 20 per cent more costly than comparable 35mm equipment. A single-use, throw-away APS camera will be included in the Kodak range, but the cheapest multi-use. "conventional" camera

using the new format will cost

#### PIONEER ELECTRONIC CORPORATION



preeminent manufacturers of AV (audio/video) products for home, commercial and industrial use. To further extend its scope of operations, exemplified by its renowned laser disc players and car navigation systems, Pioneer is currently devoting its resources and expertise to the development of advanced equipment for the multimedia age. Products targeted for an early market entry – and offering tremendous future market potential – include the DVD and next-generation large-screen color plasma and ultra-thin organic electrolu Pioneer's quest is to satisfy customers with

innovative products that incorporate its core technologies in ways which are uniquely Pioneer.





Founded in 1872, Shiseido is one of the world's

largest competies companies, bringing a distinctive blend of science and aesthetics to its activities. Shiseido manufactures and markets quality makeup and skineare products, fragrances, tolletries, professional salon-use items, foods, and pharmaceuticals in more than

salon-use treum, rocco, and committees of the committees of the commany also manages; restaurants, fitness clubs, and fashion boutiques. In fiscal 1995, consolidated net sales reached US\$5,404 million, with consolidated net profits of US\$294 million before taxes. Net income per share was US\$0.29 and cash dividends were declared at US\$0.13 per share of common stock, on par with fiscal 1994.
For more information about Shiseido: http://www.shiseido.co.jp/

#### TORAY INDUSTRIES



Founded in 1926, Toray Industries, Inc., is Japan's Founded in 1926, Toray Industries, Inc., is Japan's largest manufacturer of synthetic fibres and textiles, high-performance films, and engineering plastics. Toray leads the world in the development and production of carbon fibre and other advanced composite materials.

Building on its unique technological strength, Toray is diversifying into chemicals, pharmaceuticals, medical supplies, electronics materials, housing and construction materials and engineering.

terials and engineering.

A truly global enterprise, Toray's international marketing and manufacturing network spans more than 190 subsidiaries and affiliated companies worldwide. In all of the communities it serves, the company strives to play a full constructive role.

Please attach your business card or write your name and

Title:

address in this space. Please use BLOCK CAPITALS

#### GENERAL PROCUREMENT NOTICE

PROCUREMENT OF PRODUCTS AND SERVICES **UNDER JAPANESE GRANT AID** FOR ECONOMIC STRUCTURAL ADJUSTMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

The Government of the Lao People's Democratic Republic has received a Grant Aid of 5 hundred million Japanese Yen from the Government of Japan to purchase products and services incidental to such products for public bodies and private sector companies of the Lao People's Democratic Republic. Categories of products are:

☐ Petroleum products (Motor Gasoline & Gasoil)

Cement (Portland & Mixed coment). ☐ Steel burs (Round & Deformed bar)

☐ limigation pumps

☐ Electric generators

Eligible source countries are all countries and areas except the Lac People's Democratic Republic. Firms or companies who are interested in supplying product(s) as mentioned above should submit to JAPAN INTERNATIONAL COOPERATION SYSTEM (IICS) the following information as soon as possible: Name and address of firms or companies, name(s) of person(s) in charge, telephone and facsimile number. This information is acceptable BY FACSIMILE ONLY. By return, JICS will send a FORM OF APPLICATION by facainnile, which is to be filled out and sent back with the required documents (e.g. balance sheet and the statement of profit and loss in past 3 years, etc.) by registered mail, international courier service, etc. Only firms or companies who submit the FORM OF APPLICATION prior to pre-qualification (P/Q) will be registered. P/Q for each procurement will be held one by one in accordance with the contents of submitted FORM OF APPLICATION and will commeace after 3 weeks from this publication as soon as necessary preparation is arranged. Criteria of P/Q shall be determined by each procurement and shall depend on procurement conditions such as the items nature, scale, delivery period, etc.

It should be noted, however, that IICS is not committed to contact ALL firms or companies expressing interest after receiving the above mentioned form.

Invitations to tenders to qualified firms or companies will be issued at a later date. Procurement Office for Non-Project Grant Aid, Grant Aid Management Dept.,

IAPAN INTERNATIONAL COOPERATION SYSTEM (JICS) P.O. Box No. 301, 6th floor, Shinjuku Missai Bldg., 1-1. Nighi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-04, JAPAN TEL: 03 (5322) 2441 ~2444

#### FT • JAPAN CLUB ANNUAL REPORT SERVICE

Please send me these Annual Reports: Tick boxes

☐ Bank of Tokyo. The Chugoku Electric Co. ☐ Hitachi.

☐ Pioneer Electronic Corporation. ☐ Shiseido Company Limited.

☐ Toray Industries.

Mail or Fax to: FT-Japan Club Annual Report Service PO Box 384, Sutton Surrey SM1 4XE United Kingdom (Fax. +44 81 770 3822)

By Alan Cane

global markets.

Mergers and acquisitions

reached record levels in the

worldwide information tech-

nology business last year as

companies sought the size and

technology to compete in

Some 2,913 deals were tracked by Broadview Associ-

ates, a US M&A consultancy, a

57 per cent advance on the

1,861 recorded in 1994. The

total value of the deals was

\$134bn, a 48 per cent increase

By Alice Rawsthorn

1250

577 AV. 1 1 (10) 24 (2)

The state of the s

1.5%

TO SEE THE

200

Section 1

robe

di.

753

F4 14

14

AW 1.3

350

57.5

12 E. . .

Air

Republic

Lyphand

SOUTH TO THE

FAPPLE OF

aluner size. STATE Che. mil be my do to

shaded for the CHAP TI equirement of Character.

. . .

Widescreen television should provide a sorely needed source of growth for the sluggish European television market this year, as sales of new PALplus standard sets take off.

The latest figures from the European Association of Con-sumer Electronics Manufacturers (EACEM) in Brussels suggest that 510,000 widescreen sets will be sold in the European Union this year. This is slightly more than the 500,000 units purchased in the five years since widescreen was

EACEM expects 200,000

experience more rapid growth with 180,000 units sold in 1996 against 75,000 last year. Some 40,000 widescreens will be sold this year in the UK, where there is very little PALplus programming, compared with

15,000 last year. As sales have risen, retail prices have fallen. It is now possible to buy a basic PALplus widescreen set for under £1,000 (\$1,500), only a few hun-dred pounds more than for expensive conventional mod-

Philips, the Dutch consumer EACEM expects 200.000 electronics company, expects widescreen sets to be sold in to see a dramatic increase in

steady sales growth in the early days of the VCR and compact disc markets," said Philips. "We think PALplus will catch on more quickly and sales will suddenly leap."

The PALplus phenomenon has stimulated the top end of the television market at a time when sales of cheaper sets are under intense pressure. Nokia of Finland announced

plans last month to cut 600 iobs in its consumer electronics division, mainly at its television plants in Turkey and Germany. Until recently the market for widescreens, which have unusually broad screens

France this year, against sales as more programming in a cinema-style 16:9 ratio, 110,000 in 1995. Germany will comes on stream. "We saw was restricted by the dearth of was restricted by the dearth of PALplus programming. The PALplus standard provides higher visual and audio quality than the long-established PAL

> The earliest widescreens did not have a PALplus facility, but those models can be converted to the new standard with the addition of a small

> research consultancy, the same amount as in the previous

#### on the 1994 figure of \$90.5bn. Mr Charles Federman, decoding device. Some 30,000 hours of PAL-Broadview chairman, said: plus programming, principally sport and films, will be broad-This was another recordbreaking year for M&A in the cast in Europe this year, according to the Vision 1250 IT sector with unprecedented activity across virtually every

segment of the industry." The telecommunications sec tor saw the largest deals with 98 transactions worth \$20.1bn They include the \$3.5bn

acquisition of 49.99 per cent of Belgacom, the Belgian operator by a consortium of Ameritech, Singapore Telecom and TeleDenmark, and a \$2.7bn alli-ance between Cable & Wireless of the UK and Veba of Ger-

The most active sector was software and services, with 356 deals valued in total at £4.4bn.

Broadview points out that the European market increas-

Global information technology deals Mergers and acquisitions 1995 Number of transactions Total; 2,913 Software 29% Supporting products & services Value of transactions Total: \$134bn Software products 21% products

ingly saw the acquisition of "national champions" by companies from abroad looking for critical mass to compete inter-

nationally. ADP, for example, a large US

specialising in payroll processing, bought GSI, its French equivalent, for \$460m. Ceridian, which is second

in payroll processing in the US, bought Centrefile computing services company Personnel & Payroll Services from National Westminster Bank in the UK for \$52m.

The trend generated defensive transactions. Roccade and Getronics of the Netherlands jointly acquired the Dutch pay-roll processing market leader Raet, while Tietotehdas of Finland merged with the Finnish government computer centre VTKK-YHTYMA in a transac-

tion valued at \$113m. Broadview says that many acquisitions were driven by the pace of technological change "Product development cycles now commonly exceed product life cycles," it says, "making it necessary to acquire new technologies to avoid missing the window of opportunity."

Companies with expertise in the Internet, the fast-growing international computer network, proved particularly attractive. Unipalm Group of the UK, for example, was acquired by the US company

UUNet Technologies. Expertise in ISDN, the transmission technology which makes possible the information superhighway, was also a big attraction. Broadview counted 11 European ISDN specialists seeking their experience.

Seventy per cent of Europe's top 20 transactions involved a buyer from abroad: for all transactions worth more than \$20m, half the buyers were

### PolyGram in Polish TV venture

PolyGram, the world's largest record company, is launching a music cable channel in Poland together with Planet 24, the youth-oriented UK television company, and the owners of a Warsaw nightclub, Ground

The new channel. Atomic with Atomic Entertainment,

TV, will be broadcast in Polish from Warsaw and relayed on the cable television network, which covers 2m homes. It will feature videos by Polish and international acts, concerts. and youth-oriented lifestyle programming. Planet 24 staff will oversee launch of the channel from Warsaw, working

born music entrepreneurs who

own Ground Zero. Atomic TV is Planet 24's first investment in a television channel outside the UK. PolyGram will participate in

the management of the chan-nel and supply videos. Artists on its roster include U2, Tricky, Elton John and the

Cranberries. The deal marks a continuation of PolyGram's strategy of investing in music television. It already co-owns the VIVA music channels in Germany and recently invested in the relaunched MTV Asia.

Most of Poland's cable operators have agreed to carry Atomic TV as their only music

### **Boost for rocket** sector in Russia and Ukraine

The US has agreed to open further its

By Nancy Dunne In Washington and

The US has agreed to open result in unfair competition.

and Ukraine greater access.

shrinks, domestic producers inderprice them.

Commission this week agreed

industrial complex. Ukraine for years had sought access to the lucrative \$4bn US satellite industry. Each contract for a geosynchronous launch today runs to about \$100m, although an industry analyst said China charges less than former

to manage the market and prevent underpricing.
The Virginia-based Orbital

Sciences Corporation, which makes the Pegasus and Torus rockets, will not be directly affected by Ukraine's limited

company spokesman, said: want to make sure the agreement is enforced and that they offer fair market prices.

about Russia's negotiations,"

she added, "because they could open the more protected market for low earth satellite launches that make up the bulk of Orbital's business.

But the new companies from the east first must prove they can compete. Mr Terry Edwards, manager of Intelsat launch vehicle programme, said the consortium had not yet selected Russia for the nine satellites on order and scheduled for launch over the next three to four years. Ariane space won six; in fact, the European group has been the foreign competitor particularly successful in whittling away US companies' market share.

Mr Edwards dismissed the argument that companies emerging from non-market aconomies were unfair compe tition. "Fingerpointing, such as 'you're subsidised,' is not all that useful," he said. "If defined in a certain way, most companies have been subsi-

Ukraine's first contract came through an international jointventure, Sea Launch, led by Boeing. In December Hughes Space and Communications, the Los Angeles satellite maker, awarded Sea Launch a contract for at least 10 seabased launches.

NPO-Yuzhmash, formerly the biggest nuclear missile plant in the world and located in central Ukraine, will provide the Zenith rocket, which tested its first commercial satellite launch last August, according to a Ukrainian official. "The market is very favourable," he

Other members of Sea Launch are Kvaerner of Norway, a shipbuilding and engineering group whose facilities will be used, and the Russian space systems specialist, RSC-

Energia. Mr Mickey Kantor, the US trade representative, said such projects would generate several hundred jobs, and contribute to the conversion of idle military facilities. He said the diversification of launch services would allow the US satellite industry to maintain its world leadership.

The commercial pacts can serve a political purpose, too. A former US official said the trade representative, against some resistance from the commerce department, sought to reward Ukraine for giving up nuclear weapons, acceding to the nuclear Non-Proliferation Treaty and transferring its nuclear stockpile to Russia.

launch market to ex-Soviet rivals

Matthew Kaminski in Kiev

further its satellite launch market to Russian and Ukrainian companies despite fears that state subsidies could Hoping to find peaceful uses

for old military hardware and deepen commercial ties with erstwhile cold war enemies. Washington is giving Russia As the US commercial rocket industry's global market share

are worried that subsidised state-owned competitors will Some companies reacted with concern in December when the US extended to Ukraine, once an important

rocket producer for the Soviet Union, the right over the next five years to bid for and win up to five launch contracts to send satellites into geosynchronous earth orbit, the most frequently used orbit for commercial satellites. The Gore-Chernomyrdin

that Russian services could provide up to 15 geosynchro-nous launches and held out the chance of more in the next two With a bloated military

Soviet or western companies.

The US-Ukraine agreement, permitting an additional 11 launches through joint-ventures, sets strict contract con-ditions, including special US consultation when a Ukrainian birgalls more than 15 per cent below the market price. Similar deals struck earlier with Russia and China are designed

But Ms Elina Fuhrman, a

"This sets a precedent. We We are more concerned

**Businesses For Sale** 

Appear in the Financial Times on Tuesdays, Fridays and Saturdays. For further Information or to advertise

in this section please contact Lesley Summer on +44 0171 873 3308

### (J. vear Net Income attributed to the Group (ESP. Millions) 382 Earnings per Share (Peseras) 260161. Dividend per Share (Pesetas) 13,9 12.2 Ratio BIS 225 296 Computable Equity Surplus (BIS) (ESP. Billions) Gross Total Assets (ESP, Trillions) $\approx 11.9$ 13,3 Customer Funds Under Management 6.4 (ESP, Trillions) 6,6 Customers Loans (ESP. Trillions) 1.440 1.600Branches in Spain



### Beijing keeps tight grip on money supply

China's central bank has

been under considerable pres-

sure from the state sector to

loosen credit to help solve a

triangular debt problem - the

inability of enterprises to pay

each other for goods and ser-

vices - which is choking many

But fearing a resurgence of inflation, the bank has fought

hard to resist such pressures

aided by a new central bank

law which enshrines the pres-

ervation of a stable currency

and the anti-inflation fight as

its main responsibilities. Mr Ma said a financial sector con-

ference in Beijing last month had outlined four main tasks

for 1996, including no let-up in the fight against inflation.

of an interbank market; an enhancement of the central

bank's prudential supervision

of financial institutions; and

improvements to the overall efficiency of the financial sec-

tor. Efforts would be made to

liberalise further the financial

sector to allow foreign banks

to engage in local currency

business, but no timetable for

such a move had been decided.

barriers the difference in the

tax rate paid by foreign banks,

which operated under a low

tax regime, and local institu-tions which were obliged to

pay high rates: "Foreign banks

should compete on a level

playing field with local banks."

Mr Ma cited as one of the

Other goals included

nent and the establishment

ts in credit man-

China will continue its tight money policies in 1996 aimed at further reducing inflation, but it would also engage in selective easing of credit to profitable enterprises, a central ank official said yesterday.

Mr Ma Delun of the People's Bank of China said the country planned to reduce growth in the broader M2 money supply to 25 per cent in 1996 compared with 29.5 per cent last year. M1 growth would remain much the same as 1995 at around 18

Although price increases had moderated in the past year, the foundation for a sustained reduction in inflation was shaky, he said. Pressure on money supply continued to be

China's inflation rate dropped to 14.8 per cent in 1995 compared with more than 20 per cent a year earlier. The target for this year is less than 10

Mr Ma indicated that the banking system would continue to squeeze unprofitable enterprises by restricting credit but efficient companies would receive assistance. "Those enterprises with large stockpiles and low profitability will feel a lack of funds," he

"On the other hand, enterprises with a sound performance will be assured of

China would raise credit for the year to the priority areas of Banks and tourist hotels damaged as Tamil 'Tiger' separatists aim at heart of Sri Lanka's economy

### Colombo business centre bomb kills 55

Suspected Tamil "Tiger" guerrillas yesterday carried out their deadliest attack yet against the Srt Lankan economy by bombing the financial district of the capital, Colombo, killing at least 55 people and wounding more than 1,400 including foreign tourists:

The army blamed separatist Liberation Tigers of Tamil Eelam (LTTE) for the spectacular suicide bombing of the Cen-tral Bank of Sri Lanka build-

An attacker in an emplosive laden truck, supported by three gunmen on foot, rammed the entrance to the central bank. Two of the gunmen were arrested and the third escaped. "This is a clear attempt to destroy the economy," a mili-tary spokesman said. "There

was no military target involved and all the victims were innocent office workers." The bombing was seen as a blow to Sri Lanka's efforts to woo tourists and much needed foreign capital. It may have

damped hopes of raising \$420m from the sale of state enter-prises in 1996. Most of the investment had been expected from foreign companies, which ocal businessmen said yesterday may now be less keen. Sri Lanka had been banking on the ambitious privatisation

programme to finance a budget

deficit estimated at about 10

record defence expenditure of \$700m this year. More than a dozen buildings

100000

Central Bank

in the district, called Colombo Fort, were in a shambles, many of them showcase office blocks and symbols of foreign interest in the Sri Lankan The Colombo branches of the

American Express Bank, ABN Amro Bank, Banque Indosuez and the Indian Overseas Bank all located in front of the central bank building - were damaged by the blast. Mr A S Jayewardena, central

bank governor, said vital documents were still intact

although part of the building collapsed. The central bank would shortly resume normal functioning with the help of commercial banks, he added. The multi-storeyed complex

of a leading private insurance company, the Ceylinco, caught fire and firemen plucked office workers from the 13th floor. The main ticket office of Air-Lanka, the national airline, was also destroyed. Two lux-ury hotels in the neighbourhood had their windows shattered and many foreigners were among the 1,400 people

The impressive 37-storeyed headquarters of the Bank of



commercial bank, also had its glass facade shattered. More than 400 cars were gutted.

Colombo's telephone network, which will be up for sale by mid-year and is badly in need of capital to expand. seized up as worried people tried to call relatives.

The attack bore the trademark of the separatist Liberation Tigers of Tamil Eelam. which has been accused of pre-: vions kamikaze-style blasts in the capital Last October, the LTTE shifted its attention to economic targets by bombing the main oil storage depot there, shortly after the government sold the country's gas distribution monopoly to Shell, the Angio-Dutch oil group

in November the LTTE carried out a suicide bombing outside the army headquarters in Colombo, killing 21 people, including an employee of a nearby tourist botel.

The latest attack came despite a city-wide alert for possible LTTE attacks following the army's capture of the rebels' northern bastion of Jaffna after nearly 50 days of fighting that left an estimated 2,000 rebels and 500 govern ment soldiers dead. The LTTE had vowed to seek revenge for the humiliating defeat.

Groups vie for Thai bank licences

thone by dis

By Ted Bardacke in Bangkok

The Thai banking industry is set to face increasing competition as a host of local finance companies and foreign banks applied for new commercial

banking licences yesterday. On the domestic side at least five groups, mostly headed by non-bank finance companies, submitted applications for the first new full banking licences to be issued since 1966. Most of the groups vying for the up to five licences expected to be awarded by mid-year brought in important industrial companies as minority shareholders, a move analysis said carried both significant risks and potential rewards for the new institutions.

On the foreign side, more than 10 Asian and European banks which already operate offshore lending offices in Thailand applied to be upgraded into full branches. Between five and seven

of these applicants will be given permission to upgrade and join the 14 foreign banks who operate full branches in

Among those applying from Europe were Dresdner Bank, Banque Nationale de Paris and ING Bank. Asian banks applying included Bank of China, Korea Exchange Bank, Development Bank of Singapore and a plethora of Japanese banks including Sumitomo, Sanwa, Dai-Ichi Kangyo, Industrial Bank of Japan and Long-term Credit Bank of Japan, No US bank applied, leaving Bank of Nova Scotia the only North

American applicant. The strong turnout by foreign banks came despite a steep \$80m (£53m) initial capital requirement to open a branch, an amount at least four times higher than any

other country in the region.
"Yes, it's a lot of money but if you think Thailand is going to be a big market then you have to get a full branch," said one foreign banker. He added, however, that some applicants probably did not expect to win licences but applied anyway so as not to lose face with the Thai financial authorities.

The comparably lukewarm response for new domestic licences had more to do with onerous operating rules for the new institutions rather than the attractiveness of the banking sector, where both return growth for the existing 15 banks average more than 25

per cent annually. New banks must locate their headquarters outside Bangkok, have at least half their shares publicly held and have no cross-ownership ties with existing banks, immediate paid-up capital is a herry \$300m and salaries for experienced bankers are already skyrocket-

Domestic applicants included consortiums led by General Finance & Securities, First City Investment and the telecommunications company Ucom, Sitca Investment & Securities with Thai Petro-chemical Industry and Prime Finance & Securities with contractor Italian-Thai Development and property developer

Quality Houses. The leading finance companies are generally considered middle-tier companies due to their lack of tie-ups with existing banks.

You've got to be careful that these new banks don't become in-house lending agen-cies for their shareholders," said Mr George Morgan, country manager of the brokesage HG Asia

"At the same it will help the banks to get some initial big

ASIA-PACIFIC NEWS DIGEST

### NZ credit rating raised

Standard & Poor's, the international credit rating agency, yesterday raised the long-term foreign currency rating of New Zealand to AA-plus from double-A, citing the country's "prudent fiscal and monetary policies" for the move. New Zealand is now just one notch below the coveted triple-A foreign currency rating which it lost in 1983.

The upgrade was welcomed in Wellington where the

government was quick to point out that New Zealand now had a stronger credit rating than Australia which is rated double-A. "In the past, New Zealand has usually trailed Australia, and only rarely managed to achieve parity on credit ratings. It is a significant tribute to this country that we have now pulled ahead of them for the first time," said Mr Bill Birch, finance minister.

rival ratings agency which placed its double A2 rating on review for an upgrade on January 3. Antonia Shorpe, London

Vietnam-China rail link agreed China and Vietnam yesterday agreed on February 12 as the date for the restoration of the symbolic Hanoi-Beijing rail link, broken since a brief but bloody border war in 1979. Passengers will still not be able to travel between the Vietnamese and

Chinese capitals without interruption because of a minor border dispute and differing Chinese and Vietnamese railway gauges. Trains from each side will have to stop a few hundred yards before the border, forcing passengers to walk a short distance over the disputed territory before boarding a train from the other side.

#### Australian trade deficit eased

Anstralia's current account deficit eased in December following a surge in rural exports. The December deficit was A\$1.63bn (£800m), down almost 20 per cent on the November figure of A\$1.86bn. Analysts had been predicting a deficit above A\$2bn following a 5 per cent increase in imports, disclosed in mid-January. But this was more than offset by a 10 per cent rise in total exports to a record monthly level of

Taiwan vice president to visit US Mr Li Yuan-zu, Taiwanese vice president, will stop over in three US cities during visits to Haiti and El Salvador next

month, a move sake to initiate rival China amid already tense relations. "Vice President Li will begin his trip on February 3 and transit in San Francisco and Miami to stay one night each," the foreign ministry said in a statement. He planned to break his return journey with a stop in Los Angeles.

### A landmark private trip by Taiwan's President Lee Teng-hui to the US last June drove Beijing into a fury and has sharply soured bilateral relations since. Taiwan does not have

Economists blame fall on India's political turmoil

### Rupee at record low to \$

The Indian rupee slid to a record low of Rs98.47 to the dollar at yesteray's close in spite of intervention from the Reserve Bank of India, the central bank. Traders and economists blamed the fall largely on political uncertainty in the light of imminent elections and the country's recent political

bribes scandal.

The fall was from an over-night Rs36.13, and the extent of intervention was unclear. But intervention last month contributed to a fall in RBI foreign currency reserves from \$17.5hn at the end of December to \$16.8bn on January 19, the latest published figures.

Economists said intervention from the bank, which has

smooth the currency's fluctuation rather than to underpin a floor in the rate. The rupee has depreciated

steadily from its previously consistent rate of Rs31.37 to the dollar since last August and, while the RBI has sporadi-cally intervened, Indian officials last year made little secret of the fact that they did not see a rupee depreciation as undestrable, particularly in the light of the country's trade

Officials have pointed out that the depreciation late last year took the rupee close to its real effective exchange rate (REER) - the rate which reflects India's higher inflation relative to that of its main trading partners.

Factors depressing the rupee have included fast-rising made no comment on its pol-icy, appeared an attempt to export sales, a fall in foreign

particularly in the past few weeks, the dollar's relative strength. However, bankers and economists said yesterday that the slippage above Rs36 appeared to owe more to political jitters in the market than to economic factors. Most bankers and economists reckon the rupee's REER to be closer to Rs35. "If there's been any change in recent fundamentals, it is political funda-mentals," said a western econ-

Dealers in Bombay said they expected the currency's volatility to persist for the next few weeks. India's general elec-tions are barely three months away and the political system has been thrown into turnoil by recent charges laid against three ministers, the leader of the opposition and several



respected worldwide for its strength and stability.

Cessna sells more light and midsize business jets than all other manufacturers combined. Our industry lead grows every year.

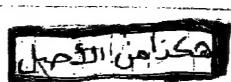
And as our worldwide market share continues to grow, so does our ability to serve Citation customers.

When you also consider that the Citation VII

Vice President, Worldwide Sales, Cessna

Aircraft Co., P.O. Box 7706, Wichita, KS 67277 USA. Tel.: (316) 941-6720. Fax: (316) 941-6640.

CITATION VII



Ford slide

eased by

financial

services

Ford Motor warned yesterday that the cost of launching mod-

els in the US and Europe would

lead to weaker earnings in the

first six months of 1996, as it

### **COMPANIES & MARKETS**

© THE FINANCIAL TIMES LIMITED 1996

Thursday February 1 1996

#### IN BRIEF

bank

#### Rhône-Poulenc in big disposal plan

Rhone-Poulenc, the French chemical group, announced disposals worth FFr10bn (\$2bn) over the next two years aimed at cutting its unwieldy debt and lifting its "inadequate" profitability. Operating income fell 10 per cent, to FFr6.2bn, on sales down 1.8 per cent at FFr84.8bn. Page 16

SAP's 43% rise disappoints market SAP, Germany's leading computer software house, announced a 43 per cent improvement in annual pre-tax profits to DM674m, but disappointed traders who had expected better. The ordinary shares slipped DM6 to DM222. Page 16

Lower tax charge aids Kimberly-Clark The first results from Kimberly-Clark, the US tissue maker, since its \$9.4bn takeover of Scott Paper, showed operating profits in the fourth quarter up only 3 per cent before special items, at \$352m. However, a sharply lower tax charge left net earnings up 32 per cent at \$255m. Page 18

Mariboro strength lifts Philip Morris 16,5% Strong sales of the company's flagship Mariboro cigarettes helped Philip Morris, the US tobacco and food group, post a 16.5 per cent jump in net profits to \$1.3bn in the fourth quarter. Page 18

Novell to sell WordPerfect for \$116m Novell, the US computer software company, has agreed to sell WordPerfect and other office application products to Corel, the Canadian graphics software company, in a deal valued at \$115.9m. Novell acquired WordPerfect, a developer of word process ing programs, for \$1.4bn in 1994. Page 18

First Cubs venture vehicle set for launch The first venture capital vehicle for investors in Cubs is being launched this week. Beta Gran Caribe is an investment company to be listed on the Dublin stock exchange. Page 18

Write-offs to put Hokkaido Bank in red Hokkaido Bank, one of Japan's larger regional banks, said a big increase in planned write-offs of bad loans would force it to declare a loss for the year to the end of March of about Y39hn (\$364m), its first for nearly 50 years. Page 19

Philippine Airlines doubles its losses Philippine Airlines, the ailing national carrier, more than doubled its losses to 2.04bn pesos (\$77.9m) during the first nine months. Page 19

Elf and Enterprise and N Sea link One of the more complicated and unique corporate relationships in the North Sea oil industry came to an end when Elf, the French oil company, and Enterprise, the UK explorer, "reorganised" their loss-making Elf Enterprise Petroleum joint venture.

Companies in t	his is	sue	_
Ahram Baverages	19		18
Allied Textiles		Hanson	15
Murran	18	Hoechst	2
Asarco	18	Hokkaldo Bank	19
\shanti	20	Hughes	13
Nomic Entertainment	- 6	Hughes Space & Comms	5
Benk of China	ē	IBM	18
Bank of Nova Scotla	18	ING Bank	6
BankWest	19	Kimberly-Clark	18
Banque Nationale de		Korea Exchange Bank	6
Bata Gran Ceribe	18	Kvaemar	5
	18		20
Bethlehem Steel			13
Boeing		MCI	18
British Aerospace	13		19
CANTV		Metra	13
Corel	. 18		13
Crédit Foncier	15, 16	Mildera Blass	18
Jaimler-Benz Aero	13		18
Denone	16	Nokla	5
eutsche Telekom	16		18
Presidner Bank		Oracle	18
Idorado Corporation	18	Orbital Sciences	5
Bektrowalt	18		6
en a comercial de la comercial	14		15
of Aquitaine .	20		18
interprise Oil	14, 20		19
	15		5
urodis Electron			5
riet	14, 16	Dowlantial	20
ord	15	DSC-Energia	5
oster's Brawing	19	Phone-Poulenc	16
rance Télécom	16		18
yiles	20		16
Fin. Inverlet	18	Singapore	6
		The state of the s	

General Motors

Getinge

3. Bur.

W Super

greatile -

1.1 1843

S. 7. 18 2

- SE:-

13(170 18.

West and

. India

DETERMINE

AUF

ALL PROPERTY. Marketine Marketine

The state of the s

			_
Annual reports service	28,29	FT-SE Actuaries Indices	
enchmark Govt bonds	26	Foreign exchange	
and interes and options	26	Gitts orices	
ond prices and ylekis	26	London share service	
ommodities prices	25	Managed funds service	
hideods announced, UK	20	Money markets	
MS currency retas	27	New Intl bond issues	
urabond prices	26	New York strang service	
had interest indices	26	Recent lesues, UK	
T/S&P-A World Indices	36	Short-term int rates	
Coor Mines Index	32	US Interest rates	
C INCOME RANGE FRANCE		Am	

### Chief price changes yesterday

PRANKFURT	Dep			BBC	570	+	27
Rilens Aachen Nich Ro	1100		85	Carb Med	460	+	15.5
	445	+	10	Seconvisions	234	+	25
Bayer Degușas	549		14	Falls			-
(author	487.5		17	Sacyanas	517	-	75
orache General	863	+	39	Cred Lyan Cl	217	_	13.5
Failts							
theinmti Brin	227	-	7	TOKYO (Yen	4		
HEW YORK P				Rises	***		25
Nisos				Asics Corp	339	+	51
Mes. Brown	48'A		27	Daimanı Inc	840	+	
upper total Curp	9614		3%	Kirto Breway	1300	+	60
ed Somes	74	÷	34	Mochi Fujiksta	491	+	26
ratis				Felis			
oner Financial	31%		196	Misshin CII	835	-	33
leten Curtis	56%		10%	Toel	<b>670</b>	-	26
Time Wearter	374	-	27	HONG KONG	MECSI		
ONDON (Per	nce)			Rises			
Rises			45	JCS Hids	7.35	+	0.55
Daily Mail A	1405	+			3.3		0.6
being Sware	389	+	34	Petice Hill	13.3		0.7
oriothire Bec	719	+	<b>,53</b>	Appen Hapte	(4.4	7	4.7
Talle			157	Pallo	444		
r Blateck	2123	-	37	Challe Hide	233	3	0.17
incat	251	-	19			_	0.17
postera (+)	300	-	13	Daldio Carcito	0.94		
CHONTO (C	<b>39)</b>			Hop Hing Hid	1.28	-	01
Mees	8%		34	BANGKOK P	Beat 1)		
ánsworth Leib	164		196	Rises .			
Walty Bio	10%		134	Para Stars	100.0	+	6,0
nnest AT elle	1978	7		Hemarai L&D	145.0	+	13.0
endelf Techs	1816	_	1%	Oriental	120.0	+	55.5
SELECTION OF THE PARTY OF THE P	18%		1	Fails			
Heat Praser .	29	_	114		53.0	_	45
PARIS (FFT)		_		Essex indi Kanaddi Ita	85.0		8.5
Rines.					96.5	_	10.5

### Head of Crédit Foncier replaced

Hanson

parries

catcalls

at rowdy

meeting

By Clay Herris in London

Lord Hanson had his next-to-last

hurralt yesterday, and for a while it looked as if he might

welcome an earlier retirement.

On the London stock market, Hanson's shares fell 8%p to

202%p as doubts emerged about

the industrial conglomerate's

plan, announced on Tuesday, to

Elsewhere in London, the chairman had enough trouble

keeping order at a rowdy annual

On the demerger, Lord Hanson told shareholders: "I can't elabo-

rate on detail and actually

there's much more work ahead

which may take up to a year to

complete."

Of press coverage, he said:

"I'm not sure I like my descrip-

tion as a dinosaur, but then I

thought Jurassic Park was a

smash hit and that starred dino-

saurs, and we certainly have a smash hit on our hands."

What he had on his hands.

without doubt, was a flood of

interruptions. Lord Hanson, who

catcalls with the flair of a 74-

year-old trouper, tersely and

without ambiguity. Some share-holders among the 2,000 at the

meeting lent him support with a

slow handclap for untimely

interventions and shouts of

"throw him out!" It came to that

for one of them, hauled out by

security men soon after he yelled

"don't import your violence from

the states to this country".

He introduced Roger Moore, who stars in Hanson's new ad, a

007 spoof. The actor quipped:

Question time, when it came,

was heavily scripted. The com-pany chose questions from those

sent in by shareholders and

selected the people to pose them.

Lord Hanson read his prepared
answers from an autocue.

Defending the company's

£100,000 annual contribution to

the Conservative party, Lord

Hanson said: "Whoever wins the next election, Conservative prin-

calls you a dinosaur," yelled one of his tormentors, "because you've just exhibited your brontosaurus tendencies – little brain

and large body." Lord Hanson

Now we know why the press

ciples must be kept alive."

28,29 20,31

"Can I ask a question?"

meeting disrupted by hecklers.

split itself into four parts.

The French government yesterday innounced the abrupt replacement of the head of Crédit Foncier de France, the troubled financial institution that specialises

in property lending.

The council of ministers said that Mr Jérôme Meyssonnier, head of Banque La Hénin, part of the quoted Suez group. would become the new chairman or "gov-ernor" with immediate effect.

However, Mr Jean-Claude Colli, the existing governor, did not resign yesterday, in a gesture believed to reflect his frustration with the decision to remove

Crédit Foncier has a peculiar legal status as a specialised financial institution Governor of property lender refuses to resign after government appoints Suez man

Pampered pooches

rather than a bank. It is a quoted company in which the French state has no shares, but has the power to nominate the governor and the two deputy governors.

News of the change helped lift the

group's share price 4.2 per cent to close at FFr70, after it had fallen by two-thirds in the past year as its troubles mounted. Government sources said the decision to change the governorship was not a sancagainst Mr Colli, but reflected the group was undergoing restructuring.

Last September, it reported net profits of just FFr12m for the first six months of 1995, and unveiled plans to merge with an associated company that would have recapitalised it with FFr1hn. But the plan was rejected and it negotiated an emer-gency line of credit from the Caisse des

Crédit Foncier was hit last autumn when the French government announced the abolition of the PAP, a low-income

Dépôts, the state financial institution, this

of the country's depressed property mar-ket, which is likely to lead to substantial new provisions in its full-year results. Mr Colli was appointed governor in late

1994, having been a deputy governor since 1986 when he held responsibility for Foncier's loans. He spent the past few months attempting to negotiate a restructuring package to cut operating costs by 30-40 per cent over the next three years, reduce staff and find alternative types of loans into which to diversify.

Mr Meyssonnier has spent most of his working life at La Hénin, which specialises in property lending, and which itself has cleaned up its portfolio during the past few months. It reported profits of FFri2m for the first half of 1995, and had assets of FFr46bn in 1994.

reported that its core automotive operations had barely managed to break even in the final three months of last year. Mr Alex Trotman, chairman of

the US's second biggest automotive manufacturer, said profits would continue to be held back in the coming months by the launch of models which accounts for about 35 per cent of Ford's vehicle sales. He predicted that earnings would begin to pick up in the second half of the year, confirming expectations that the company would report lower year-on-year profits in the next two quarters.

Overall, thanks to record earnings from its financial services businesses, Ford's after-tax profits in 1995 reached \$4.1bn, down only 22 per cent from the year before.

About \$2.1bn of the group's post-tax earnings came from financial businesses which range from car leasing to consumer lending. That made Ford's financial arm among the most profit-able in the US, topping the 1995 earnings of American Express and Merrill Lynch.

Ford is reviewing whether to dispose of its financial businesses other than those involved in vehicle financing. Of these, The Associates, a consumer finance business, earned net income of \$708m last year, and USL Capital, a leasing operation. made \$135m.

In the final quarter, Ford reported net income of \$660m. or 49 cents a share, compared with \$1.6bn, or \$1.47, the year before. All but \$16m of this came from its financial services operations. Its US automotive operations

recorded quarterly profits of \$168m, down from \$745m a year before, while its international businesses lost \$152m, compared Besides the costs associated with new models, the results

reflected tough trading condi-

tions in the US and Europe,

adverse foreign currency shifts and losses in Mexico and Brazil. Like its rivals, Ford's earnings were hit by plummeting US car demand. Last year, it sold nearly 1.8m cars, 13 per cent fewer than 1994, while light truck sales rose 2 per cent to 2.2m.

Agnelli warning, Page 16; GM rediscovers brand, Page 18

#### need to put in charge someone with experience of the property market when the housing loan scheme on which it largely depended. It has also suffered as a result

#### Pet supplies chain is one of the US's top growth stocks, writes Christopher Parkes Paws and claws in the fight for sales

oses are twitching expec-tantly in Europe's financial centres in anticipation of the arrival of Mr Mark Hansen, president and chief exec-utive of PetsMart, the latest "category killer" to emerge from the US retail industry. In turn, Mr Hansen, 41, whose

success in selling pet supplies through 25,000 sq ft superstores has raised the backles of grocery retailers, veterinary surgeons, wholesalers and pet shop owners, will be putting his own olfactory equipment to use sniffing out new territories.

Although far from finished in the US, where PetsMart has opened 260 stores out of a targeted 975, the group is poised to move into Canada this year. In 1997. Mr Hansen hopes, the first European stores will open in either Britain or France.

The debate on where the landing takes place may be testy: two of PetsMart's eight boardroom seats are filled by Mr Denis Def-forey, retired chairmen of France's Carrefour retailing group, and Mr Philip Francis, Shaw's Supermarkets, a subsidiary of Britain's J. Sainsbury retail group.

A UK opening may be preferred because the British tend to coddle their pets with more highmargin commercial food, although France may have an edge by virtue of Carrefour's stake of almost 20 per cent in PetsMart.

First, Mr Hansen plans to regale Europe's investment com-munity with what analysts expect to be a sound set of 1995 results. The centrepiece will be \$1bn turnover, achieved in the concern's sixth year of operations. Some analysts suggest net earnings may reach 50 cents a share, up from 28 cents. The speedy expansion programme has meant no dividend payments so far, although that has not deterred the likes of Fidelity Investments, PetsMart's biggest institutional backer, or one large private investor, Mr Paul Allen, co-founder of Micro-

On Mr Hansen's last roadshow visit in 1993, in advance of Pets-Mart's initial public offering, sales were \$370m from 136 stores. Since then, each year PetsMart has featured in the top ranking growth stocks in the US.

flashed: "Getting pretty close to it, aren't you? Fancy a bit of fresh air?" Innovation and availability of a After the meeting, security guards shielded Lord Hanson from additional questions. wider product range, coupled with the explosive growth of premium pet food brands, is increas-ing industry turnover - \$17bn a year in 1994 - by 10-15 per cent Unlike previous years, he did not join fellow directors to mingle annually. The total of large, chain-owned outlets has grown to

about 700 from 250 in 1993. Conventional supermarkets, which accounted for 80-90 per cent of pet food sales a decade ago, last cent, according to Mr Hansen.

The pressure is forcing the closure of around 30 per cent of traditional family-owned pet shops each year. Veterinary practices and grooming parlours are being squeezed by the intrusion into their territories. PetsMart, which started out offering routine medical services such as inoculation, now has clinics and full-time veterinary surgeons in several

Glass-walled in-store grooming parlours attract spectator-shoppers. Other draws include dogwash facilities, obedience classes and photography studios.

The stores' entertainment value is further enhanced by sections devoted to books, videos and toys. Colourful fish tanks and small mammals for customers to pet add to the mix of

Sales of livestock account for only a fraction of the group's turnover, but instore cat and dog "adoption" centres find new homes for strays and rejects from dog pounds which would normally be destroyed. They often go to homes which already have at least one pet - and always at a tiny fraction of the cost of a conventional pet shop puppy or kit-ten. "Helping the community to solve a problem," says Mr Hansen. PetsMart expects to find homes for 200,000 dogs and cats

Such universal, emotional factors are key to the strategy



which Mr Hansen believes will crown PetsMart's impending foreign adventure with success. "Relationships between owners

all over the world," he says. There are no racial or ethnic differences. Food is the same, and there is no fashion content. The mass of comfortably-off emptynest baby boomers will increasingly look to domestic animals for their emotional comfort and in return pamper their pets with expensive food and toys.

Mr Hansen has drafted a strat-

egy for the first stage of the move abroad. The Canadian chain will be launched in Ontario and Van-

couver before stretching across the plains and eventually reaching Quebec. Half a dozen initial openings will test and correct the tics in the first 16 months, before a rapid cross-country sweep opens a projected total of 65 stores within four or five years.

Beyond that, he is not saying. Plans for expanding PetsMart further and moving into Europe remain under wraps. According to Mr Hansen, they are matters for discussion only between himself and a dim-looking toy collie, squatting by his desk, which has a non-speaking role in all corporate decisions.

The partners of Touche Ross & Co. announce that from 1st February, 1996

they will practise as:

### **Deloitte & Touche**



### **Deloitte & Touche Consulting** Group

#### **Global Accounting, Tax and Consulting Services**

Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR. Tel: 0171 936 3000, Fax: 0171 583 1198,

Other offices are also located in Aberdeen, Bath, Belfast, Birmingham, Bournemouth, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Dartford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, Manchester, Milton Keynes, Newcastle, Nottingham, St. Albans, Southampton, Guernsey, Isle of Man and Jersey.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

### Elektrowatt may sell off stake in Eurodis to highest bidder

By Christopher Price in London

with shareholders.

Eurodis Electron faces a potentially hostile takeover after being told by Elektrowatt, the Swiss electricity generating and engineering group, that it intends to sell its 42 per cent holding in the UK electronics componeut distributor to the highest

Elektrowatt has also put its 29.9 per cent stake in Unitech, the international electronics group, up for sale.

Eurodis Electron is furious at the behaviour of Elektrowatt. which took on its holding just six months ago as part of the merger between Eurodis, Elektrowatt's distribution business, and Electron House, the UK components

The merger in August created the fifth largest electronic com- tably result in the shares being to 1.85p.

ponent distributor in Europe with a stock market value which has risen to £175m (\$270m). Electron House believed it was securing a medium to long-term share-

However, Elektrowatt's strategy changed in December when it made a SFr1.8bn (\$1.5bn) agreed offer for Landis & Gyr, the electronics group. Elektrowatt, which is con-

trolled by the Credit Suisse bank, said then that it intended to dispose of its investments in peripheral businesses in order to raise SFr1bn for the purchase. Eurodis Electron had hoped that Elektrowatt would sell its

holders, and still hopes that may be the outcome. However, any attempt to place such a large holding would inevi-

holding to institutional share-

offered at a discount to the current share price. Conversely, the Swiss group believes a potential suitor for Eurodis Electron would be willing to pay a premium for its stake

Eurodis Electron reported its first results yesterday showing an increase in half-year pre-tax profits from £2.77m to £15.35m, lifted by a four-month contribution from Eurodis and profit from a disposal. Before the £9,4m exceptional item, resulting from the disposal, profits rose 86 per

Turnover on continuing operations rose nearly three-fold to £118.6m. Earnings per share before the exceptional item rose 3 per cent to 6.2p. Including the disposal profit, earnings rose from 6p to 26.15p. The interim dividend was raised 19 per cent

#### INTERNATIONAL COMPANIES AND FINANCE

#### EUROPEAN NEWS DIGEST

16

### **Preussag in friendly** bid for Elco Looser

Preussag, the German steel and engineering group, has made a SFr267.5m (\$220m) friendly takeover bid for Elco Looser, a loss-making Swiss manufacturer of heating equipment. It plans to integrate the Zurich-based group with its Wolf and Kermi heating technology units to create a combined group with sales of about SF1bn. The Elco Looser board is recommending acceptance of the Preussag offer of SFr535 per registered share, a 22 per cent premium over the average price of SFr438 in the second half of 1995.

The company, which also has interests in dyes and paintstuffs, yesterday blamed increasing competition in European markets for a 7 per cent drop in sales last year to SFr602m. "A disappointing operating result together with the cost of restructuring will result in a substantial loss," it said. In 1994, the group had net profits of SFr13.7m.

#### SAP disappoints with 43% rise

SAP, Germany's leading computer software house, yesterday announced a 43 per cent improvement in pre-tax profits for 1995, but disappointed the Frankfurt bourse, which had expected better after the company's spectacular growth in recent years. In the first half of 1995 profits rose 80 per cent. SAP said it was satisfied with the results.

The ordinary shares slipped DM6 to DM222 on the news. However, Mr Dietmar Hopp, chairman, said he was confident about prospects for 1996. The slight slowdown in growth did not suggest slackening profitability, he said. Revenues grew 47 per cent from DM1.83bn to DM2.69bn (\$1.8bn). Income before taxes rose 43 per cent, from DM471m to DM674m, while earnings per share were 44 per cent higher at DM4, compared Alan Cane, London

#### L'Oréal sales increase 12%

L'Oréal, the French cosmetics group, yesterday posted full year sales up 12.1 per cent from FFr47.6bn in 1994 to FFr58.3bn (\$10.4m). At constant exchange rates and excluding acquisitions, turnover was up 6.4 per cent. Analysts said this indicated continued weak demand. The figures were slightly below expectations, but the shares closed up FFr19 at FFr1,448

The group said its pre-tax profits would be markedly better than those in 1994, which were FFr5.15bn. This would be despite higher financial costs after its acquisitions last year of Cosmair in the US and Lorsa Fagel in Switzerland. The net results would be affected by a higher tax charge because of changes to French tax rules. James Capel in Paris said it expected net profits, due to be announced in April, of FFr3.4bn, an increase of 8.9 per cent from FFr3.121bn in 1994. Sales at Synthélabo, L'Oréal's pharmaceuticals subsidiary, in which it holds a 54.6 per cent stake, rose 15.2 per cent. Turnover at the cosmetics operations increased 11.4 per cent.

Paul Abrahams, Paris

#### BMW earnings 'satisfactory'

BMW, the German carmaker, said group sales rose 9.4 per cent from DM42.2bn to DM46.1bn (\$30.9bn) in 1995. The company said earnings were "satisfactory" for the year, but did not give details. Sales excluding Rover Group of the UK, acquired in 1984, climbed 3.5 per cent to DM33.1bn. AFX News, Munich

■ Pinault-Printemps-Redoute, the French retailer, said yesterday sales rose almost 10 per cent from FFr70.8bn to FFr77.8bn (\$15.2bn) last year. At constant exchange rates and with the same company structure, sales would have risen 2.4 per cent, the company said. AFX News, Paris

Net Income

### Rhône-Poulenc steps up shake-out

Rhône-Poulenc, the French chemical group, yesterday announced disposals worth FFr10bn (\$2bn) over the next two years aimed at cutting its unwieldy debt and boosting its

"inadequate" profitability. Unveiling a 10 per cent decline in operating income, to FFr6.2bn, on sales down 1.8 per cent at FFr84.8bn, Mr Jean-René Fourtou, chairman and chief executive, said last year's results were disappointing especially after three years of strategic restructuring. However, he denied the company was on the wrong tack. The operating margin of 2.5 against FFr1.91bn last time.

many chemicals companies achieved record profit levels was due to external factors and one-off items, he said.

Principal among these were the weak dollar, a recession in Brazil, and economic downturn and strikes in France. The results were also depressed by the group's active programme of acquisitions and disposals. On a continuing basis, and

with exchange rate movements excluded, sales had risen 7.4 per cent. Excluding provisions for restructuring and acquisition charges, operating income rose 12.2 per cent. Net profit worked out at FFr2.13bn,

The provisions amounted to FFr1.7bn, of which FFr630m was for the integration of pharmaceutical companies Fisons and AIS into its US-based pharmaceuticals arm Rhône-Poulenc Rorer. This was offset

by a FFr655m tax credit.

The company's continuing commitment to expanding its research and development programme, and increased capital expenditure had also contributed to an erosion in profits and cash flow. The R&D budget rose from FFr6.7bn the previous year to FFrk1bn, and capital expenditure to FFr6.1bn from FFr5.2bn.

This saw the cash flow drop from FFr2.7bn to FFr875m.

acquisitions - after deducting the gains from disposals - this lifted the group's debt by FFr11.8bn, taking its gearing to 72 per cent.

The company was determined to reduce this to 50 per centiover the next two years, said Mr Fourton, with the help of the planned disposals, half of which would be in the pharmaceuticals business. It planned to sell its stake in Société Générale, and would also be making large disposals in its chemicals division.

· However, it did not rule out further acquisitions, and remained committed to expansion in Asia and South



Jean-René Fourtou: results disappointing after revamp

America. Mr Fourtou said. The company would not

### Telecoms operators launch global alliance

Three of the world's leading telecoms operators - Deutsche Telekom, France Télécom and Sprint of the US - yesterday launched the world's third global telecoms alliance, forecasting sales of \$5bn by 2000. Deutsche Telekom and France Télécom, the biggest operators in Europe, will pay a total of \$4.2hn, slightly more than expected, for a 20 per cent stake in Sprint, the third biggest US long-distance carrier.
Unveiling the final details of the alliance, to be called Global

By Paul Abrahams in Paris

Total, the French oil and gas group, yesterday followed Elf Aquitaine and its US competi-

tors by making big provisions to comply with new US

The accounting standards

and restructuring charges

reduced net income by FFr1.5bn (\$292.9m). Excluding

these, net profits for the year

to December rose 8.8 per cent

from FFr3.4bn to FFr3.8bn.

Earnings per share improved 8.2 per cent from FFr14.6 to

FFr15.8, while earnings per

ADR increased 20 per cent to

The results were in line with

forecasts. However, the

accounting standards charges, which knocked FFr1bn off net

**TOTAL REPORTS A 9% INCREASE IN THE ESTIMATED** 

1995 NET INCOME BEFORE SPECIAL ITEMS

Meeting on January 30th, TOTAL's Board of Directors chaired by Thierry DESMAREST was informed of the

Group's estimated 1995 financial results. Net income (Group share) before special items amounted to FF 3.7

billion compared with FF 5.4 billion in 1994. Taking into account the slight increase in shares outstanding

over the year, fully diluted earnings per share before special items came to FF 15.8 in 1995 versus FF 14.6 in

1994, an 8% increase. Using the average exchange rate for the year, the earnings per ADR (American

In 1995, the application of new US accounting standards and expenses linked to new restructuring programs reduced net income by FF 1.5 billion. Net income (Group share) after special items totaled FF 2.2 billion.

Operating income before special items increased due to production growth and productivity gains

1995 ESTIMATED 1995 NET INCOME

Depositary Receipt) rose by 20% to \$1.58 in 1995 from \$1.32 in 1994.

3 Net income reduced by special items

New accounting standards: TOTAL elected to apply as from 1995, as previously announced, the new US FAS 121 accounting standard, which limits the book

value of assets to their market value. As a result, non

mainly in exploration-production for fields in

Norway, the United States and Vietnam. These charges reduced operating income by FF 1.3 billion and net income (Group share) by FF 0.8 billion, or

In addition, the FAS 106 standard concerning

Operating income from the business segments before

about 1% of noncurrent assets.

accounting standards.

three companies said the venture offered clients around the world a new range of services.

the world through a single

would focus on three segments division, has been spun off will come as a considerable of the international telecoms later this year, bringing their relief to Deutsche Telekom, market worldwide voice, data final investment to \$4.2bn. which has had a bad start to

profits, were higher than

expected. Analysts had been

expecting about FFr300m. The

standard FAS 121 limits the

book value of assets to their

market value. The other, FAS

106, covers medical and life

One London-based analyst

commented: "It may be cyni-cal, but by taking these sub-stantial charges and then back-

dating the accounting standard

to the beginning of the year,

Total's depreciation charge

falls by some FFr2bn, and its

return on equity is naturally flattered."

The group aims to have a 10

per cent return on equity in

1998. The shares rose FFr3.4 to

Group sales fell 1 per cent from FFr137bn to FFr136bn,

close at FFr349.70.

medical and life insurance coverage for emplo had a negative impact on net income of FF 0.2 billion. Application of these new American standards reduces the net income (Group share) by

FF 1 billion, without any impact on the cash flow.

Restructuring: restructuring programs announced in 1995 - the Ark City refinery in the US, withdrawal from Petrogal in Portugal, rationalization of the paints segment and reduction of headquarters staff-

reduced net income (Group share) by FF 0.5 billion, and cash flow by FF 0.4 billion.

Once again, operating income growth came from productivity gains and greater rationalization within the Group as well as from an increase in oil and gas production. These two factors added FF 1.1 billion to

operating income, more than offsetting the adverse effect of market conditions. Exploration expenses decreased by FF 0.1 billion and depreciation declined

by FF 0.2 billion as a result of adopting FAS 121 effective January 1, 1995, and thus accounting for the

operating expense.

Middle-East oil and gas output was maintained at 287,000 boe/d. TOTAL's proven reserves communed to expand, rising to 4,466 million boe from 4,303 million boe in 1994. This increase comes from non-

products and growth of the marketing activities in expanding countries. Resulting gains however were eroded by the retail price war in the United Kingdom

1995 versus FF 13.6 billion in 1994. Divestments came to FF 2.3 billion in 1995 compared with FF 3.9 billion

in 1994. Capital spending budget figures are set at FF 15.6 billion in 1996, a 29% increase relative to 1995

achievements. The Group's financial situation is sound, with a net debreo-equity ratio of 18% at December 31, 1995 versus 22% at year-end 1994.

Middle-East reserves only (+8%).

ing increase in the operating income before

income by about FF 1 billion.

special items.

insurance coverage.

rate clients; international consumer services, such as calling cards, and international trans-

The two European compa-

competition from the two existing global telecoms alliances which have a considerable headstart. AT&T, the US operator which is the world's biggest, has linked up with four European operators in a ven-ture called Uniworld. British Telecommunications, the UKbased group, and the US com-pany MCI make up the second leading global telecoms alli-

ance, known as Concert. The launch of Global One

Global One will face strong the year. The state owned com-ompetition from the two exist pany faced public criticism of its tariff changes on January 1 and this week had discounts for corporate clients delayed by Mr. Wolfgang Bötsch, the German post and telecoms minister

> Yesterday, the company said it was temporarily withdraw-ing a number of digital telecoms services such as conference calls and call-holding used by about 80,000 custom ers. Deutsche Telekom said "countless" customers had called in to complain of false

#### held back by Arjo weakness By Christopher Brown-Humes in Stockholm

Getinge

Getinge of Sweden, which became one of Scandinavia's largest medical technology groups last year after a string of acquisitions, - yesterday announced pre-tax profits of SKr389m (\$55.5m) for 1995 and said it was on course for sharply higher figures this

year. Its result was SKr23m lower than in 1994, reflecting much weaker figures from Arjo, the world's leading supplier of patient handling and hygiene systems, which Getinge acquired for SKr2.3bn after a takeover battle last autumn.

Getinge said its figures had been calculated according to a pooling method combining its own results for calendar year 1995 with Arjo's for its financial year to September 30. It decided to take -Arjo's SKr228m deficit in the final three months of 1995 - blamed mainly on one-off restructuring costs - as a balance sheet charge against equity, rather than through its profit and loss account. This accounting treatment was criticised in some quarters yesterday for not reflecting the group's financial performance clearly

Getinge said it expected 1996 profit to reach between SKr480m and SKr500m. Most of the improvement would come from Arjo, said Mr Carl Bennet, Getinge president.

But he also forecast better performances from the group's sterilisation and distribution divisions, both of which saw lower operating margins last

Getinge has begun an extensive restructuring of Arjo, which saw profits fall from SKr235m to SKr126m last year after it was hit by delayed US product launches and a heavy drop in sales of patient handling systems in the UK. Getinge has closed Arjo's headquarters in southern Sweden, and one of its German factories. It has also cut staff in the US and Sweden.

Although the restructuring costs have proved higher than expected, Getinge expects annual synergy gains of between SKr80m and SKr100m within two years. This is higher than an earlier estimate of SKr60m.

Apart from Arjo, Getinge bought LIC Care, another Swedish medical sector group, for SKr552m, and several smaller companies in France and South Africa last year. SKr2.59bn to SKr3.22bn. Excluding acquisitions, turnover rose 6.4 per cent.

The group, spun off from Electrolux in 1993, now consists of 60 companies in 21 countries with 2,700 employees. The B shares rose SKr6 to

"Global One is going to offer customers communication to

point of contact, a single global network that is state-of-the art technology," said Mr William Esrey, Sprint chief executive.
"No one else in the world is offering this unique level of Mr Esrey said Global One

mission and support to other international carriers.

nies yesterday paid \$3bn for a new class of Sprint preference stock, giving them each a stake of about 7.5 per cent of Sprint's voting power. The two compa-nies will make the rest of their investment after Sprint Cellislar Co, the mobile telecoms

held back by the 10 per cent

the franc in the year.

decline in the US dollar against

The upstream operations off-set weak downstream results.

The exploration and produc-

tion division posted trading

profits up 47 per cent from

FFr3bn to FFr4.4bn. The

results were lifted by higher

average crude oil prices, up

from \$15.80 in 1994 to \$17.05

last year. Production rose 6 per

cent to 669,000 barrels of oil

equivalent a day (boe/d). The

mix also helped: non-Middle

East production, which does

not suffer from fixed margins,

increased 11 per cent to 382,000

boe/d, although this was a lit-

Mr Thierry Desmarest, chair-

man, said Total continued to

activities outside the Middle Rast. Capital spending in this area was FFr6.2bn last year.

and would reach FF17.1bn this

year. He said he hoped produc-

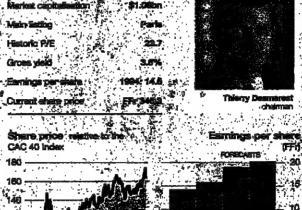
tion outside the Middle East

would reach 458,000 boe/d this

invest heavily in upstream

tle below forecasts.

#### Total climbs 9% before FFr1.5bn provisions COMPANY PROFILE Total ....



Total was also working to keep down production costs, said Mr Desmarest. These had 2 \$11.6 a 1992 to \$9.1 last year.

In contrast, the downstream refining and marketing division suffered from poor refining margins and a price war in fities in Portugal and the US, the UK. Hopes of a recovery in the second six months had not materialised. Operating profits fell 46 per cent from FFr2.4bn growth regions such as Indon-

to FFr1.3bn. Mr Desmarest said Europe's

refining industry suffered from 10 to 15 per cent overcapacity, an organised pan-European restructuring. In the meantime. Total had

rationalised downstream activand had decided not to invest in the Czech Republic. It was, instead, concentrating on high-

esia, Colombia, Thailand and China. The division was also looking to increase sales of added-value products.

chemicals division's operating profits rose marginally from FFr1.66bn to FFr1.7bn, hit by escalating raw material costs which proved impossible to pass on to customers. Sales rose 9 per cent to FFr21.7bn although demand from the automotive and construction industries was weak.

#### close at SKr329 yesterday. Agnelli warns of difficult year for Fiat

By John Simkins in Milen

Mr Giovanni Agnelli, who steps down as Fiat's chairman next month, yesterday forecast a "difficult year" ahead for the company against a background of poor prospects for economic growth worldwide.

In his last annual letter to shareholders. Mr Agnelli said the Turin-based company ted consumer demand to be flat, as it became in the second half of 1994. Demand for cars was expected to stay at the same level, and the market for commercial and agricultural vehicles would be quiet.

Figures released by Fiat showed group turnover had risen from L65,842bn in 1994 to L75,500bn (\$46.8bn), in line with analysts' expectations. Taking into account disposais of subsidiaries during the year, this represented an increase of almost 17 per cent.

Operating income was esti-mated at L3,400bn, against L2,676bn, which would put the group in line for a net profit for the year of about L2,000bn, a figure already signalled by

Fiat. Net profit in 1994 was L1,011bn, a turnround from the year before when Fist incurred the worst loss in its history.

At the operating level, the return on sales was 4.5 per cent, up from 4.1 per cent the previous year but lower than one Milan analyst's forecast of 5 per cent. Mr Agnelli said this was "a considerable improvement", but that in terms of profitability the 1995 results "did not appear totally satisfac-tory". He said the second half had suffered from reduced margins as a result of worsening market conditions.

The group's debt climbed L500bn to L2,500bn, in part because of heavy investment. In his letter, Mr Agnelli dealt

at length with factors, such as political uncertainty, which he believed were holding back demand in Europe and which were only partially offset by strong exports. However, he said all Fiat's sectors had shown growth and that Fiat Auto, the core cars division, had increased sales in Europe, excluding Italy, by 6 per cent. The subsidiaries results



Giovanni Agnelli: expects consumer demand to be flat

indicate the company is returning to its roots as a vehicle maker. Flat Auto had a turnover of L38,706bn, up 16.6 per cent, and sales at Iveco, the commercial vehicles arm, rose 30.6 per cent to L11,009bn. Mr Agnelli said Fiat would not be deterred from its policy of internationalisation and con-

centration on its core business

by problems that might arise

from pay negotiations with

Turnover increased 3.4 per

unions and the heavy tax burden on the company. After yesterday's board meeting, the group confirmed that Mr Roberto Testore would become Fiat Auto's managing director when Mr Paolo Cantarella leaves the post to become the group's chief executive. Mr Paolo Marinsek will succeed Mr Testore as chief of the Comau automation unit.

### Danone depressed by restructuring charge

By Paul Abrahams

The exceptional charge was to cover the restructuring of non-French European businesses during the next three years. The results also suffered from higher French tax rates, over the period.

which cut FFr250m off net profits. Excluding the charges, net profits would have been about FFr3.38bn, below market Operating income rose 4.3

per cent from FFr6.72bn to FF17bn. The group said operating margins slipped slightly from 9 per cent to 8.8 per cent. In Europe they were 9.3 per cent, a slight decline caused by the high cost of PET for plastic mineral water bottles. Non-European margins improved from 5 per cent to 5.9 per cent

cent from FFr76.82bn to FFr79.45bn. At constant exchange rates and excluding acquisitions the increase was 4.6 per cent. In Europe, sales rose 3.2 per cent. Mr Antoine Riboud, chairman, said there had been a significant slowdown in the region, particularly during the second

Elsewhere, sales rose 46 per cent to FFr11.3bn, helped mainly by acquisitions. Underlying non-European growth

that it planned to achieve non-European sales of FFr30bn within five years.

As part of its international strategy, the group said it was launching a new bottled water brand in the US called Dannon The company said this would be positioned to take advantage of the expected doubling of the US bottled water market by the end of the decade.

The group also announced it acquired 70 per cent of Haomen Brewery, one of the largest in the Beijing region and was 11.9 per cent. Danone said among China's top 10 brewers.

#### special items rose to FF 7.4 billion in 1995 from FF 7.0 billion in 1994, in a mixed oil environment. The Segment (before special items) average Brent price increased to \$17.10/barrel in 1995 from \$15.80 in 1994, but refining margins in both Europe and the United States fell to very low levels during the year. In Europe, the average margin was \$11.40 per tonne (\$1.56/barrel) in 1995 versus \$13.40 per tonne (\$1.56/barrel) in 1995 versus \$13.40 per torne (\$1.84/bas/barrel) in 1995 versus \$13.40 per torme (\$1.84/barrel) in 1994. The 10% decline in the Dollar-Franc exchange rate also laid a negative impact. Taken together, these external factors reduced the Group's operating Non Middle East output The Upstream Segment enjoyed strong growth in operating income, driven by a combination of higher crude prices; an 11% increase in non-Middle-East output to 382,000 boe/d from 345,000 boe/d in 1994; productivity gains aimed at reducing technical production costs, and lower Downstream Segment hit by the refining crisis The decline in Downstream operating income reflects refining margin trends in Europe and the United States. Efforts to reduce refineries' break-even points continued Sustained growth in the Chemicals Segment despite adverse business conditions in Europe

382,000 boe/d 345,000 boe/d Middle East oil and gas output 287,000 boe/d 287,000 boe/d

Operating Income by Business

Upstrains Downstree

Chemicals

1995 Net Income

(in billions of Franch francs)

4,466 Mboa 1995 1994

137FFBr

12.1 / 2.3FFBn 13.6 / 3.9FFBn

TOTAL - 24 Cours Michelet - 92069 Paris La Défense Cedex - France

The Chemicals segment posted a 9% increase in sales over 1994 at FF 21.7 billion. This strengthening however did not feed through to proportional growth in operating income. This was due to lacklustre materials proved difficult to pass on to constiners.

A sound financial situation and a rising investments budget for 1986

Consolidated sales were about stable at FF 136

billion, as underlying growth was hidden by the dollar decline. Cash flow came down to FF 11.2 billion in 1995 from FF 12.3 billion in 1994, due to

currency fluctuations, lower disposal gains and to the

Gross investments amounted to FF 12.1 billion in

negative impact of some exceptional items.

#### A FFrl.8bn (\$351m) charge to

restructure Danone's European operations knocked the French foods group's full-year net profits, which tumbled 39 per cent from FFr3.52hn to FFr2.13bn. Nevertheless, the board proposed the dividend should be maintained at FFr16.

'SS

JAN-Humes

den. which candinavia; lechnology

fer a string
yesterday
yesterday
yesterday
yesterday
yesterday
yesterday
yesterday
yesterday

Course this

ing much

House had the same that the sa

Afjorational

di restructura batance sheet profit and sheet in cather in catherina i

The second second of the second secon

Fig. 21 ontended to the second of the second

17 12 14 (1 -1 11)

13

17



Left to right: Ed Miller President - Chemical Banking Corp.

Michel Kruse, Vice Chairman/Global Financial Services - Chase Manhattan Corp.

Walter Shipley, Chairman/CEO - Chemical Banking Corp.

Tom Labrecque, Chairman/CEO - Chase Manhattan Corp.

Bill Harrison, Vice Chairman/Global Wholesale Banking - Chemical Banking Corp.

Chase and Chemical have long envied each other's capabilities. But through it all, there was one trait we both shared: exceptional client focus. That's why our agreed merger is more than just combining our capabilities. It's an integration of our abilities to deliver the best solutions. An integration of people and ideas. It's a leveraging of our leadership positions to identify new opportunities for your business. It's teamwork across all lines of business to solve your individual needs. Whether those needs are on the other side of the street, the other side of the country or the other side of the world.



© 1996 Chemical Banking Corporation and The Chase Manhattan Corporation

#### AMERICAS NEWS DIGEST

### IBM acquires Tivoli in \$743m cash deal

IBM has agreed to acquire Tivoli Systems, a US supplier of computer networking software and services, for \$748m in a cash tender offer. IBM will offer Tivoli shareholders \$47.50 a share, a sharp premium on Tivoli's closing price on Tuesday of \$37.75 a share. Yesterday, Tivoli's share price jumped to \$47 in early trading. The \$743m price includes the purchase of Tivoli's outstanding shares, the vesting of a portion of the company's employee stock options, fees and expenses, less Tivoli's current cash, the companies said.

Tivoli, based in Austin, Texas, provides systems management software and services for corporate computer networks and had revenues last year of \$50m. The acquisition will augment IBM's existing networking products and is in line with the company's strategic focus on "network-centric" products. IBM said it would take an unspecified charge against earnings to write off software under development, in line with Louise Kehoe, San Francisco standard accounting rules.

#### Bethlehem Steel sees setback

Recent price reductions and severe weather in parts of the US in the early weeks of this year will hold back earnings growth at Bethlehem Steel in the first quarter of this year, Mr Curtis Barnette, chairman, said yesterday. His comments came as the second-biggest steelmaker in the US reported net income of \$32m, or 20 cents a share, for the final three months of last year, almost unchanged from the year before. Full-year

earnings climbed by \$99m to \$180m, or \$1.24 a share. Mr Barnette offered a cautiously optimistic view of 1996, with "moderate and sustainable" economic growth and a strengthening of demand after the final months of 1995, when customers had been working their way through high inventory levels. He added, though, that new steelmaking capacity in the US would make the market more competitive. Bethlehem's operating profits were \$31 on each of the 2.14m tons of steel shipped in the final quarter, compared with \$22 a ton the year before. Richard Waters, New York

#### Bank of Nova Scotia expands

ton the year before.

The Bank of Nova Scotia has agreed to take a majority stake in Grupo Financiero Inverlat, which owns Mexico's fifth-largest bank. Sources close to developments said that the two banks and the Mexican government had agreed that the Canadian bank would increase its participation in Inverlat from its current 8.5 per cent to between 51 per cent and 55 per cent. At present, Mexican government banking regulators Daniel Dombey, Mexico City have control of Inverlat.

#### Glencore buys into Alumax unit

Glencore, the international trading group based in Switzerland, is paying \$89.3m to Alumax, third-largest of the US aluminium producers, for a 23 per cent interest in the Mount Holly aluminium smelter at Goose Creek, South Carolina. Alumax said the deal would generate a pre-tax gain in the first quarter of 1996 of more than \$75m. The proceeds would be applied against the early repayment of a \$90.7m promissory note payable to Glencore in May this year.

The US group will retain a 50.33 per cent stake in the smelter, which has the capacity to produce 182,000 tonnes a year, and management control. As a condition of the sale, Glencore's entitlement under a tolling arrangement that terminates in July 1996 has been reduced from an annual 90.719 tonnes to 48,980 tonnes

Kenneth Gooding, Mining Correspondent

#### Closure costs put Asarco in red

A \$79m after-tax charge pushed Asarco, the US mining group, into a net loss of \$11m, or 27 cents a share, for the fourth quarter of 1995, compared with net earnings of \$48m or \$1.15 a share in the comparable period. Sales in the quarter rose 36

The charge related to the closure of lead refining operations in Nebraska, changes in accounting and additional reserves. Excluding the charge net earnings were \$68m or \$1.60 a share. The company was helped by higher prices in the fourth parter compared with 1994, Mr Richard Osborne, chairms said the company expected another good year in 1996. "Market fundamentals remain positive," he said. For the full year Asarco reported net earnings of \$169m including the charge, against \$64m for 1994, on sales up 60 per cent to \$3.2bn. SPCC, the largest mining group in Peru, announced net earnings of \$68m, or \$1.04 a share, for the fourth quarter 1995, against \$31m, or 47 cents a share, in the comparable period. For the full year, net income rose from \$91m to \$217m on sales up 32 per cent to \$929m. Clare Gascoiane

#### CORRECTION

#### Oracle

The FT reported on January 30 that Oracle is expected to invest in a satellite joint venture formed by MCI and News Corp. Oracle is, in fact, expected to invest in a different MCI-News Corp joint venture that is developing online information services.

### **Strong Marlboro sales** lift Philip Morris 16.5%

By Richard Tomkins in New York

Strong sales of the company's flagship Marlboro cigarettes helped Philip Morris, the US tobacco and food group, record a 16.5 per cent jump in net profits to \$1.3bn in the fourth quarter, the company reported yesterday. Earnings per share rose 20.5 per cent to \$1.53, a touch above the \$1.52 expected by analysts.

The results rounded off a year in which net earnings rose by 15.9 per cent to \$5.5bn, mainly because of sharply higher income from world-wide tobacco and solid results from North American food Full-year earnings per share,

boosted by \$2.1bn worth of share repurchases, rose by 19.4 per cent to \$6.51 Mr Geoffrey Bible, chairman

and chief executive, said he

looked forward to another "robust" year in 1996, with much of the growth coming from increased cigarette sales. The world-wide tobacco business was "absolutely flying right now," he said.

Philip Morris fourth-quarter volume growth in its international tobacco business was upset by abnormal trade buying patterns, but for the full year, the total number of cigarettes sold rose by 10.7 per cent to 593bn and operating profits rose by 20 per cent to \$3.5hn.

This reflected the growing demand overseas for American-style cigarettes, the company said. Volumes and market shares set new records in most important areas, and there was a surge in exports to central and eastern

Discovering the value of the brand, even late in life, is a big

step forward for GM. Over the

past decade, the group's share

of the US new car market has

fallen from more than a half to

only a third. The Oldsmobile

and Buick brands have deterio-

rated the most in that time. in

part because of failures to dis-tinguish between them.

Sales of Oldsmobiles, for

example, which reached more

than 1m in 1984, had fallen to

about 424,000 a decade later.

Buick sales slipped by more than 40 per cent to 545,000 in

GM executives admit brand

differention was allowed to suf-

fer through ignorance and inat-

tention. Too often managers

allowed and sometimes even

encouraged, brands to overlap in the belief that this would

the same period.

tobacco business benefited from a market trend away from low-price cigarettes towards premium brands.

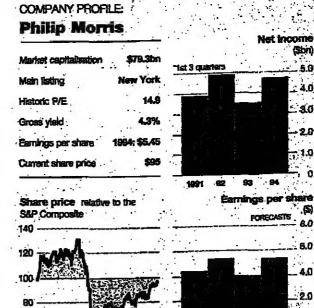
The number of Marlboro cigarettes sold in the full year rose by 5.2 per cent to 144.9bn, and the brand's market share rose by 2.5 percentage points to a record 30.1 per cent. Total cigarettes sold by

Philip Morris in the US rose by 1.1 per cent to 221.8bn, and the division's full-year operating profits rose 13.3 per cent to On the food side, the North

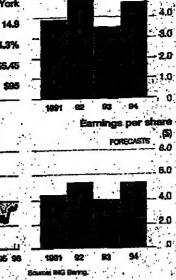
American operations had a

relatively good year with

full-year operating profits rising 7.5 per cent to \$2.4bn. Margins rose because of the cost savings resulting from a realignment of the business. The international food business, helped by lower costs



and growth in emerging markets, increased operating profits by 5.6 per cent to



Miller Brewing's volume was down slightly, but profits rose on higher sales of premium

line and expand its customer base among the estimated 20m users of WordPerfect. "We think that the public

will be excited by the new potential of the WordPerfect products as they are

combined with the graphics and multi-

media strengths of Corel," said Dr

Michael Cowpland, Corel chief execu-

Analysts were sceptical, however,

about Corel's abilities to revive sales of WordPerfect, which fell sharply last

year when Novell fell behind in devel-

### **Beta Funds** unit to get round Cuba embargo

By Stephen Fidler, Latin America Editor

The first venture capital vehicle for investors in Cuba is being launched this week after 18 months of preparation.

Beta Gran Caribe is an investment company to be listed on the Dublin Stock Exchange and will be managed by Havana Asset Management, a subsidiary of the Londonbased Beta Funds International.

Latinvest, the London-based broker acting as placing agent, said the company was expec-ted to raise SFr35m (\$28.8m). The formal launch began last Friday and settlement is set for Monday.

Beta Gran Caribe has taken about 18 months to put together. Mr Peter Scott, Beta's chief executive, said the amount likely to be raised was about in line with expectations. However, the size is at the low end of previously stated targets.

It will concentrate on investments in property, tourism, biotechnology, agriculture and one or two other areas. Mr Scott said a number of investments were almost ready.

In deference to the US embargo of Cuba. Beta Gran Caribe has not been marketed in the US and is denominated in Swiss francs so as not to fall foul of the embargo on the clearing of US dollars. The name of the company was changed to avoid the word Cuba appearing in the title.

The embargo made marketing more difficult, perticularly given the uncertainty surrounding possible legislation now in the US Congress to tighten the embargo. Its original adviser, S.G. Warburg, dropped out after its merger with Swiss Bank Corporation.

The launch was also delayed until after the flotation of Sherritt International, one of the most prominent investors in Cuba, which was spun off from the Canadian mining company, Sherritt.

Sherritt International, whose interests include a 50 per cent stake in a joint Cuban-Canadian nickel venture, as well as oil and gas properties and hotel investments in Cuba, was marketed as the equivalent of an investment fund in Cuba.

The Beta Gran Caribe units are priced at SFr50, each consisting of five shares with one warrant attached. They are partly paid: half is payable on

a year. Beta, which has some \$260m of funds under management. specialises in managing equity investments in more exotic emerging markets, which often lack developed stock markets. usually through affiliates based in the country with local partners.

It also manages the Beta Vietnam Fund. launched in 1993 with some \$70m, and the Beta Mekong Fund, launched in December 1994 with just over \$25m to invest in Indochina. Its subsidiary Beirut Investment Management is also planning a Lebanon fund

### Novell agrees \$116m disposal of WordPerfect

Matters were not helped by

GM's structure, which vested

great power in individual

brand managers at the expense

of central control from the

Mr Smith is adamant that

GM will not repeat the mis-

takes of the past, when brand

heads often spent more time

trying to win business from

other GM subsidiaries than

measured by hitting a brand's

target, not by hitting another brand's target and claiming it's

To implement the new

approach, GM late last year

headhunted Mr Ron Zarrella

from the Bausch & Lomb eye-

care group to take charge of

sales, service and marketing

for its North American arm.

With a background in con-

"In future, success will be

from the competition.

a success," he says.

group's head office.

Novell, the US computer software company, has agreed to sell Word-Perfect and other office application products to Corel, a Canadian graphics software company, in a deal valued at \$115.9m - a fraction of the price Novell paid to acquire the products less than two years ago.

The sale is the latest move by Novell to refocus on its core computer networking products in the face of stiff competition from Microsoft, the world's largest software company.

Novell acquired WordPerfect, a devel-

fter decades of confu-

sion between its many

marques, General

Motors, the world's biggest car

maker, is rediscovering the

brand. At the Detroit Motor

Show in January, Mr Richard

Wagoner, head of GM's North

American operations, heralded

an era of brand differentiation

inaugurated by the group's

Dubbed BrandScape, the

strategy aims to identify broad,

clearly distinguishable catego-

ries of buyers at which future

Pontiac, one of GM's four

main brands, will be targeted

at younger motorists looking

for "excitement". By contrast,

Chevrolet will be the group's

entry-level product, offering

attractive, no-frills transporta-

Although sharing a common

platform and many parts, the

four new cars unveiled last

month are styled differently to

try to cater for the tastes of

their target customers. While

the front of the new Pontiac

Grand Prix is pronounced and

aggressive, its sister, the Buick

Century, has a conservative

front-end geared towards older.

For managers in, say, the food industry, where branding

has been the name of the game

for decades, such tactics may

seem naive. Even Mr Jack

ted the new approach was

Smith, GM's chairman, admit-

more traditional buyers.

"hardly rocket science".

new mid-sized car range.

cars will be directed.

oper of word processing programs, for \$1.4bn in 1994. At the same time it also purchased QuattroPro, a spreadsheet application, from Borland International. These and related products formed the basis of Novell's office applications suite, PerfectOffice.

Novell's attempt to expand into the office applications market placed it in head-to-head competition with Microsoft's Office products, and Novell failed to gain ground. Microsoft Office now holds more than

90 per cent of the world market for office application suites. Under the terms of the deal announced yesterday, Corel will pay

GM's Pontiac Grand Prix - targeting the younger motorist

\$10.75m in cash and about 9.95m in Corel shares, which represents about 20 per cent of the Ottawa-based company's shares outstanding. Novell is now entitled to nominate a director to Corel's board. Corel will also license Novell's Group-

Wise communications software, electronic publishing software and other technologies paying a minimum royalty of \$70m over the next five years, the companies said.

Novell said that after costs and other charges, the agreement will result in a slight one-time gain in its fiscal second quarter ending April 27.

oping new versions of the office programs for use with Microsoft's Windows Corel said it saw the purchase as an

ing through the new strategy.

generally support GM's move,

seen as long overdue. Many, however, warn of pitfalls: the

greatest risk is that the group

US motor industry analysts

Making cars which look difsumer products and the sup-port of Mr Smith, Mr Zarrella ferent but share much beneath will be one of a small team of the skin can be done - witness managers entrusted with pushthe success in Europe of

France's Peugeot-Citroën. However, building differentlooking cars based on shared parts is slow, and can take more than one generation of a vehicle to come to fruition. Most of the basic thinking

may have misjudged its market research. "If they have misbehind the latest GM models defined their target groups, took place long before the introduction of the BrandScape they could end up worse off than before," says one analyst. Mr Smith says GM has develstrategy, so the real test will be with future product launches, oped some very sophisticated. expected to include minivans techniques in analysing and (people carriers) and lower categorising responses from mid-sized models.

The risk of "fuzziness" in defining customer segments is most acute with Buick and Oldsmobile, the two GM obvious categories. Under BrandScape, Oldsmobile will increasingly cater for

youngish buyers who might have opted for the perceived quality and style of a European or Japanese import, while Buick will appeal to older, more traditional US buyers.

The new policy will put a premium on styling. Cars in future will not only have to look different, but appeal visually to the precise categories of buyer identified for each brand. The constraint, however, is that they will share basic platforms and components to keep production and development costs down.

uccess may also depend on the outcome of GM's related plans to restructure its dealership network around its brands. At present the company has too many US dealers, often resulting in harmful and pointless competi-

tion. Also, most dealers sell the full range of GM vehicles - as well as other manufacturers' products in many cases. That dilutes the brand focus at retail level. GM hopes, over the next decade, to close a quarter of its 6,500 dealerships and to

encourage those that remain to focus, where possible, on one brand only. But that will be a long and expensive process.

Haig Simonian and Richard Waters of some \$30m.

KB IFIMA N.V. KB Internationale Financiaringsmaatschappii N.V. US\$ 150,000,000 Guaranteed Floating Rate Notes due 2011

In accordance with the Description of the Notes, notice is hereby given that for the Interest Period from January 31, 1996 to April 30, 1996 the Notes will carry an Interest Rate of 5.525%

The interest Amount payable on the relevant interest Payment Date, April 30, 1996 against coupon N° 40 will be US\$ 138.13 per US\$ 10,000 principal amount Note and US\$ 3,453,13 per US\$ 250,000 principal amount of Note.

#### **Union Bank of Norway** U.S. \$27,000,000 Subordinated Floating Rate Notes due 2002

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 30th April, 1996 has been fixed at 7.2375% per annum. The interest accraing for such three month period will be U.S. \$9,046.88 per U.S. \$500,000 Note against presentation of Coupon Number 15.

Union Bank of Switzerland London Branch Agent Bank 29th January, 1996







ren call 0171 283 3667.

Argus Fundamentals 'Understand what is driving oil prices' Petroleum Argus

#### T. C. Ziraat Bankasi mparated in the Republic of Turkey with limited liability) U.S. \$140,000,000

loating Rate Notes Due 2001 lotice is hereby given that the Interest Rate for the period from 31st January, 1996 to 31st July, 1996 is 6.5%, The Floating Rate Note Interest Amount payable on 31st July, 1996 is U.S. \$328.61 per U.S. \$10,000. In accordance with clause 6(c)

f the Terms and Conditions of the Notes, the Interest Rate holders who have elected to Redeem their Notes on 31st uly, 1996 is 6.125% and the Floating Rate Note Interest Amount payable will be U.S. \$309.65 per U.S. \$10,000. inkers Trust



International Bank for Reconstruction and Development ECU 450,000,000

Floating Rate Notes due 2002 In accordance with the provisions of In accordance with the provisions of the Notes, notice is hereby given that the Rate of interest for the three month period ending 30th April, 1996 has been fixed at 4.1875% per amum. The interest accruing for such three month period will be ECU 52.34 per ECU 5.000 Bearer Note, and ECU 1,046.88 per ECU 100,000 Bearer Note, on 30th April, 1996 against presentation of Coupon No. 16. Union Bank of Switzerland London Branch Agent Bank

29th January, 1996

# Prices for electricity deleterated for the surposes of the sheetery pooling and settlement arrangements in Engand and Wales. Prices for electricity deleterated in Engand and Wales. Reproduct of the sheetery pooling and settlements in Engand and Wales. Reproduct of the sheeter in the prices in the prices in the prices in the prices in the prices. Product of the prices in the prices. Product of the prices in the prices in the prices in the prices. Product of the prices in the prices maximise sales.

(16.88AMM begomen 1.886pfttm. Provision to observations of pool prices as steps in the Piot and Sattlement Agroumshife which govern operation of the electricity pool is England and Wo The Pool Perchate Piece at the base of the england previously made to generation in regard of electricity and the provision of the provision of pool pro-teined develops the pool. The citilization of pool pro-

### Merger costs hold back Kimberly-Clark

By Tony Jackson

The first results from the US tissue maker Kimberly-Clark since its \$9.4bn takeover of Scott Paper showed operating profits in the fourth quarter up only 3 per cent before special items, at \$352m.

This was due largely to a fall in US sales at Scott. However, a sharply lower tax charge left net earnings up 32 per cent at

For the full year, earnings

wholly offset by a previously-announced fourth-quarter charge of \$1.07bn net, representing the costs of the merger. The company said results

from the old Kimberly-Clark were in line with analysts' expectations. However, sales and profits for the combined group had been held back by activities related to the merger, which was completed in

In addition, Scott had a weak from the merged group were up 51 per cent at \$1.1bn, on sales ahead 15 per cent at The company said January In the fourth quarter, sales

for the combined group were up 9 per cent to \$3.4bn. This was mainly due to higher selling prices for tissue, pulp and newsprint. Also, the fall in Scott's US sales was partly off-

set by growth overseas.
In the quarter, the tax charge before special items fell from 40 per cent to 26 per cent. This was due to the decline in US taxable earnings at Scott, and to tax credits in Spain and changes in tax law in the Netherlands. For the year as a

\$13.8bn. This was almost sales were returning to pre- per cent to 33 per cent. The company forecast a rate of 36 per cent in the current year. Also contributing to the rise in net profits was a sharp improvement in earnings from

affiliates, from a loss of \$2m in

the quarter to a profit of \$25m. This loss in the previous quarter was due to a charge incurred by Kimberly-Clark's Mexican business to reflect the collapse of the peso.

Wall Street reacted negatively to the figures at first, but revised its opinion during the morning. By lunchtime the shares were up \$% at \$80%. whole, the tax rate fell from 41 having been as low as \$76.

### Gencor gold arm in C\$150m assets swap

By Kenneth Gooding, Mining Correspondent

Gencor of South Africa's new international gold business, set up last July, yesterday announced its first substantial

It is to exchange assets valued at about C\$150m (US\$109m) for 49 per cent each of Eldorado Corporation, a Toronto-quoted company, and its exploration offshoot HRC Development Corporation.

When the deal is completed, Eldorado, floated four years ago, will have four gold mines producing about 200,000 troy ounces a year, 5.4m ounces of gold reserves, and exploration concessions on five conti-

tive director responsible for Gencor's international gold operations, said the deal would create "a new international gold producer poised to become a senior mining company". Eldorado's aim was to be

producing an annual 500,000 ounces of gold within five years and be a 1m ounce producer in 10 years. Mr Maude said Gencor had

taken a strategic decision to stay in the gold business, but gold needed to account for at least 15 per cent of operations to give the group a significant position in the industry. At present, he guessed, it contributed about 5 per cent.

Gencor looked at more than

Mr Gary Maude, the execu- one with good management, good assets and of the right size. "We want an association without domination," he said. For this reason Gencor had

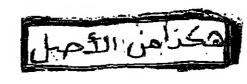
restricted its involvement in Eldorado to 40 per cent of the votes and two out of 10 directors. "If you dominate a company you change it, and we don't want to change a company that works well," he

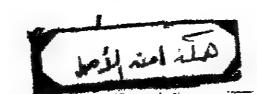
Gencor would be happy to put more assets into Eldorado "if the association goes as well as we hope". Gencor had to give 21 days' notice to the Eldorado board if it intended to sell any shares, but it could buy more at any time.

Mr Richard Barclay, presi-700 companies in a search for dent of Eldorado, said the

assets acquired would "establish Eldorado as an intermediate gold producer. This transaction with one of the world's largest international mining groups will assist us to achieve our growth objectives more rapidly than would be possible for Eldorado in isolation."

The package Gencor is transferring includes its São Bento gold mine in Brazil which produces about 100,000 ounces a year, five regional exploration and development projects in Brazil: 20 exploration/development projects in Turkey; five exploration/development properties in North America and the North American rights to use and sub-license Gencor proprietary Blox bacterial oxidation technology.





#### INTERNATIONAL COMPANIES AND FINANCE

### Write-offs to put Hokkaido Bank in red Philippine

By Gerard Baker in Tokyo

gapie.

the week aller

Caribe is a

Digital field

Management 1 Star Landon

rund: Inter

e Longon-bissi

plet hi dami

ा । हेन्द्रद्धा दिव

arine bes wes

Perer Scott

स्थापारचा अर्थि के

the per raised and

the size is a

f pressonsh

Till ate on igues.

PARTY PARTY

and the first and

Cour steas If

umber of dress.

the to the th

as a Bela Grag

CANAD CARRIED

. • CetoSinge

> -- > 70 to 50

m. 1-12 10 196

The The

## PTCC#

and of the word

Spire of the spir

1 - 2012 - 12-kgg

CLAST TATIONS

P. -142, 11. 517.

record establing

Ein Compression

meant living

affilt is begger

98 m3 118 12 2140

the second of

Profession and

35000 00000

Not be to the fill

arted at com-

Trucker da.

Make a country take in the re-

🖺 👉 🗀 💯

Men 117 5 I Care

Gran Carlo 200

1 57° - 22 32 **发现**的 计符

half is to do " and to the fift

iden in total

Programme of the second

a So the second

mares someth

de la contraction de la contra

100 5 7 55 75 100 5 7 55 75

F The state of the last of the

Aubard of Terral

**V**2552-2-250

ig a line at the

Clark

man of the state o

Real Parks

for any or and any or a

ernation

E Wallet in Sec.

D World Comments of the Commen

CAPTURE CONTROL OF THE CAPTURE CONTROL OF THE

Capping to the control of the contro

parage

20- 7 -

ATE CONTRACT

m of mage

(in the line)

Hokkaido Bank, one of Japan's larger regional banks, said yesterday a big increase in planned write-offs of bad loans would force it to declare a loss for the year to the end of March, its first for nearly 50

Mr Toshiaki Yamashiro, the bank's president, said the recurring loss - before of them made during the extraordinary items and tax would be about Y39bn (\$364m), against a forecast three months ago of a recurring profit of Y3.6bn.

After-tax, the loss would be Yobn to the country's now Y32bn, compared with a forecast profit of Yl.6bn. The full-year dividend would be halved to Y2 per share.

The deficits stem from the management's decision to write off Y80bn in non-performing assets.

The bulk of the write-offs will be property-related advances to third parties, most "bubble" years of the late 1980s; the remainder to be disposed of consists of Y23bn in loans to affiliated non-bank financial institutions, and of securities. The balance

bankrupt housing loan

The liquidation of the housing lenders is currently under consideration by the Japanese government and purliament

The plan proposed by the authorities calls for banks to write off a substantial portion of their lending to the companies as soon as possible. The bank plans to cover Y28bn of the write-offs from its core banking profit for the year. and a further Y12hn from sales

represents the recurring loss. Regional banks are as yet not required to disclose much more than limited details about their nonperforming loans, but Mr Yamashiro said yesterday that total bad loans, including so-called restructured loans, where the

keep a borrower affoat, would be Y178hn at the end of March. The recurring loss, which is bigger than the bank's combined recurring profit for the past five years, will give new organcy to the company's continuing rationalisation

interest rate has been cut to

programme, designed to cut payroll numbers by 10 per cent over the next two years. Officials said yesterday the bank would close four of its overseas offices as part of the restructuring, including the New York branch.

Hokkaido Bank, based in Sapporo in northern Japan, operates 143 branches at home and abroad.

In the year to the end of March 1995 it reported recurring profit of Y3,563bn, and after-tax profits of Yl.561bn from total assets of

### Egyptian beer reaches out to foreign parts

Cairo today opens the envelopes containing bids for the Al Ahram brewery, writes James Whittington

oreign investors' jokes Roran. But there is also an about the Egyptian government not being able to organise a "knees-up" in a brewery will fall flat if the plan to privatise Al Ahram Beverages, the state brewery, is seen through to a successful conclu-

Having read technical bids submitted by two locally-led consortiums hoping to buy the monopolistic brewer, the state vendor will today open the most sensitive element of the

sale - the price envelopes. If one of the bids is success ful, then Egypt's beer market is likely to be opened up to a foreign brewer looking to develop a new market. At the moment, foreign beers are imported on a small scale and attract a high rate of tax

Despite having been criticised by the International Monetary Fund and the World Bank for dragging its feet on privatisation since the beginning of economic reforms in 1991, the Egyptian government has been noticeably reticent about this particular sale.

If it goes through it will be only the fourth, but the biggest, public sector company, out of more than 300, to be fully privatised.

For a Moslem country, whatever its liberal leanings, there is a natural tendency to be discreet about dealing with alco-hol, which is banned by the inbred reluctance from the company and its owner, the Housing, Tourism & Cinema Holding Company - which is being advised on the sale by Arthur Andersen - to change the cosy public sector arrange-

Most of Egypt's privatisations have been carried out in partial form through the Cairo stock exchange with the sale of 10 per cent tranches to local and foreign retail and institutional investors.

Fearing a backlash from Islamic critics the government shied away from putting the brewery on the bourse and called for an anchor investor who would bring technical know-how to modernise and upgrade the facilities. The two local bidders are

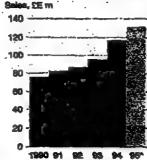
institutional investors who have promised to bring in technical assistance, or form a partnership with a foreign brewer, if they succeed in buying the company.

The favourite appears to be a

consortium comprising the Egyptian Finance Company and Al-Ahly for Development & Investment, which is seeking to buy a 70 per cent majority stake leaving 10 per cent for employees and 20 per cent with the holding company.

The other bidder wants to take a 90 per cent stake, but has raised eyebrows among





Cairo's financial community since it is a consortium of public sector financial institutions led by National Bank of Egypt in partnership with another holding company. If successful, such a sale would in effect transfer state assets from one part of the public sector to

The vendor says the list of foreign brewers which the two bidders say have shown an interest in working with them if they buy the facility include the Dutch company Heineken, Denmark's Carlsberg, Germany's Holsten and Miller of the US. Much depends on today's

opening of the price offers. The valuation of state companies has been one of the prime reasons for Egypt's slow pace of privatisation. Chairmen of the 17 holding rompanies set up to carry out state sales and ministers have

found it difficult to agree on suitable prices for public com-

Pre-tax profits, SE m would certainly seem to be the

panies which are not too high to turn away potential buyers and are not too low for them to be accused of selling on the "A valuation of a state

company like this is basically guesswork. All the assets have depreciated down to zero a long time ago and on an accountancy basis what will be paid is goodwill," said one financial analyst in Cairo. According to Mr Hamed

Fahmy, chairman of the holding company, the top end of a series of valuations of Al Ahram Beverages made by Bechtel, the US consultants, was E£450m (\$133m). But this includes the compa-

ny's real estate valued at current prices. Like many public sector industries, the company's properties consist of prime sites in Cairo and Alexandria. In its unaudited 1995 results, the net worth, with assets including real estate at historical values, is put at

Unless the new buyer intends to continue production at the present facilities, one way around the difficulty of pricing the land is to lease it from the holding company while a new factory is built. "With the huge amounts of capital investment required to transform the brewer into a modern, hygienic and environment-friendly facility, this

analyst. The company has three facilities which together have a capacity for 50m litres of beer production a year. It also produces soft drinks. Last year, unaudited profits before tax were E255.3m on sales of E£132m, compared with pre-tax profits of E£45.4m on sales of

R£117.2m in 1994.

Both bidders have said there will be no forced redundancie but this has not dampened deep feelings of apprehension among the 3,000 employees. "After decades of state control our workers are blind to the future," explained Mr Sami Herakli, head of the brewer's research and quality control

They fear they will lose their security and privileges and their salaries will be cut," A decision on the sale is

expected to be announced by the end of March, after which the successful hidder will enter a three-month period of due diligence with a foreign partner before presenting a strategy for the brewery. This requires final approval before the deal is closed.

### **Airlines** doubles its losses

Philippine Airlines (PAL), the ailing national carrier, more than doubled its losses to 2.04bn pesos (US\$77.9m) during the first nine months because of higher maintenance costs and a share dispute with the government which has prevented it from raising fresh

Mr Jaime Bautista, chief financial office of PAL, said yesterday that losses on routes to Europe had been worsened by the airline's inability to raise money to buy new air-craft, which would have allowed PAL to fly non-stop on long hauls and eliminate stopover charges. Competition in the recently-liberalised domestic market also hit revenues.

PAL's 2.04bn-peso deficit exceeds its full-year projection of a 1.72bn-peso loss in net income for the year ending March 31. However, Mr Bautista indicated yesterday that the dispute between Mr Lucio most sensible option," said one Tan, chairman of the airline. and government shareholders. which have a 33 per cent direct stake in the carrier, appeared to have abated.

The airline, which has been prevented since March 1998 from increasing its capital base pending a court ruling on the dispute, said yesterday it had secured a \$500m syndicated loan from Philippine banks to buy new aircraft.

The government last Decem ber approved "in principle" Mr Tan's proposal to issue 1bn new shares in PAL at 5 pesos each and to waive its rights to purchase the fresh equity. This would allow Mr Tan to raise his stake in the airline to 51 per cent and assume full control. It is not clear when the rights issue will be.

The dispute between Mr Tan and the government started last March when the government contested Mr Tan's right to speak for its shares in a holding company - PR Holdings - which owns 51 per cent of the airline. PR Holdings is 51 per cent owned by Mr Tan. while government institutions have a 20 per cent stake. Under December's deal PR Holdings would be dissolved.

#### ASIA-PACIFIC NEWS DIGEST

### **Deloittes in error** on BankWest float

An "administrative error" by the Deloitte share registry service, handling the flotation of Perth-based BankWest, has left some bank customers without share allocations on the eve of the company's stock market listing. The public offer for sale of 49 per cent of the bank's shares, after its purchase by Bank of Scotland, was heavily oversubscribed, but bank customers

were to have been given preference.

However, the share registrars apparently put a number of bank customers in the general ballot and, as a result, they failed to get stock. According to BankWest, Deloittes has conceded the error and agreed to rectify it at its own expense even if this means buying shares in the market when trading starts today. BankWest said it could not quantify the number of bank customers who had been subject to the error but, based on telephone calls and fax messages, it was "more than just a handful". The shares were due to start trading at Sam Perth-time today, and were widely expected to reach a significant premium over the A\$2.05 a share offer price.

BankWest was sold by the Western Australian state government to Bank of Scotland for A\$900m (US\$668m) late last year. The UK bank, which will retain a 51 per cent interest in BankWest, stands to recoup around A\$438m (before expenses) from the flotation.

#### Chinese small businesses for sale

Chinese authorities have given permission to foreign investors to buy the assets of some small state-owned enterprises in southern Guangdong province. The relaxation of restrictions of foreign ownership of state assets is part of a drive to rid the government of the burden of supporting large numbers of loss-making enterprises.

Guangdong said it had 32,163 state-owned industrial enterprises, of which 95 per cent were small-scale. However, about two-thirds were in the red, in part because of poor management and obsolete technology. The enterprises may be merged, annexed by larger companies, sold or declared bankrupt, it said. Agencies, Beijing

#### Foster's extends Mildara bid

Foster's Brewing Group, the Melbourne-based beer company, said it would extend its takeover bid for Mildara Blass, the largest listed independent winemaker listed in Australia, by 14 days to February 23

It would offer early payment for shareholders who accepted before February 9. Foster's said it had received acceptances for 17.6 per cent of Mildara shares by Tuesday. Foster's is offering A\$7.75 cash per share, valuing the premium winemaker at A\$487m (US\$361m), in a bid which has been recommended by its directors in the absence of a more favourable offer. Big institutional shareholders and the privately-owned scotch whisky distiller William Grant and Sons, which has 10.3 per cent, have not yet accepted the offer.

#### Chinese airline 'plans listing'

China Southern Airlines, one of China's three leading carriers, will need \$2bn in the next five years to purchase 20 to 25 large passenger aircraft and expand its business, the Hong Kong Economic Journal reported. "A portion of the money needed will be raised from a planned share listing in New York," Mr Zhu Deci, a senior adviser of the mainland airline, was quoted as saying.

Preparation work for the listing had basically been completed, Mr Zhu said, but he could not give a specific timetable since details were still awaiting relevant authorities' final examination and approval. • • Agencies, Hong Kong



AMERICAN BRANDS, INC. US\$150,000,000 71/a% Convertible Debentures Due 2001

NOTICE IS HEREBY GIVEN that, pursuant to Section 4(a) of the Terms and Conditions of the Debentures (which Terms and Conditions are endorsed on the reverse of each Debenture; and the terms of the Fiscal Agency Agreement dated as of March 5, 1991 (the "Fiscal Agency Agreement") between American Brands, Inc. (the "Company") and Citibank, N.A., at Fiscal Agent and Conversion Agent, the Company has elected to redeem on March 5, 1996 (the "Redemption Date 7 all of the outstanding Debentures at a redemption price of 103.8125% of the principal amount thereof (the "Redemption Price").

The Debentures shall become due and payable on the Redemption Date at the Redemption Price, which shall be paid upon presentation and surrender of the Debentures, together with all appurterant coupous maturing subsequent to the Redemption Date, at the paying agencies listed below. Accrued interest due March 5, 1996 will be paid in the usual manner upon presentation and surrender of the coupon for such interest payment. Interest on the Debentures will cease to accrue on and after the Redemption Date (unless the Company defaults in making the payment due upon redemption). The conditions precedent to redemption of the Debentures as aforesaid have occurred. Pursuant to Section 15 of the Fiscal Agency Agreement and Section

If of the Terms and Conditions of the Debentures, the principal amount of any Debenture may be converted into shares of Common Stock, par value \$3.125 per share, of the Company ("Common Stock") at a conversion price of U.S.\$53.19 per share, upon surrender of such Debenture, together with all unmanured coupons appertaining thereto and with the conversion notice thereon duly executed, at one of the conversion agencies specified below. The right to convert the Debentures into shares of Common Stock will terminate at the close of business on March 5, 1996 (unless the Company defaults in making the payment due upon redemption). On January 26, 1996 the closing price of one share of Common Stock as reported on the New York Stock Exchange Composite Tape was U.S.\$45.00. The value received by converting Debentures into shares of Common Stock is subject to Change based on changes in the market value of the Common Stock.

#### PAYING AGENCIES Crobank, N.A.

Citibank, N.A. Boulevard General Jaques, 2639 B-1050 Brussels Belgium Citibank, N.A.

Citicenter

19 Le Parvis

336 Strand London WC2R 1HB England Citibank, N.A. Nege Mainzer Strasse 40/42 D-6000 Frankfurt/Main

Cizibank House

La Defense 7 Paris, France Ciribank, N.A. 2-1 Obremachi 2-chome Chiyoda-ku Tokyo 100, Japan

Citibank (Luxembourg) S.A. 58 Boolevard Grande Duchesse Charlotte L-1330, Luxembourg

Germany

Citibank, N.A. Herengracht 545/549 Amsterdam The Netherlands

Citicorp Investment Bank (Switzerland) Bahnhofstrasse 63 8021 Zurich

CONVERSION AGENCIES Ciribank, N.A.

Boulevard General Jaques, 2639 B-1050 Brussels

Citibank, N.A.

Citibank House 136 Strand London WC2R 1HB England

Citibank (Luxembourg) S.A. 58 Boulevard Grande Duchesse Charlotte - L-1330, Luxembourg

AMERICAN BRANDS, INC. By: Citibank, N.A., as Fiscal Agent February | 1996

\_\_\_\_\_

**CITIBANO** 

### **Indonesian telecoms** partners fall out

in Jakarta

The Indonesian consortium selected to install new lines for one of Telkom's five regional telephone service contracts is holding talks with other international phone operators fol-lowing a dispute with Telekom Malaysia, its original partner for the project.

Under the regional contracts arranged last year by Telkom, the Indonesian domestic telecoms operator, five consurtia were selected to install new lines in various parts of Indonesia. Each of the consortia was assigned a contract, called a KSO, which required it to work with an international telecom-

Officials at Daya Mitra Malindo, the Indonesian consortium selected to install 237,000 new lines on Kalimantan, declined to name the international phone operators they are in talks with. However, it looks increasingly as if Telekom Malaysia will be dropped from the joint venture altogether. An official at Daya Mitra

Malindo who requested anonymity said differences between the consortium's Indonesian shareholders and Telekom Mal-

be resolvable," and that there bave been "discussions with other public telephone operators in the event that the matter with Telekom Malaysia is

not resolved." Telekom Malaysia said there had been no communication from Daya Mitra Malindo on the subject and that it was "too early to comment.

The disagreements between the two parties centre on paid-up capital and a performance guarantee which Daya Mitra Malindo's Indonesian shareholders want Telekom Malaysia to provide.

The dispute has created "bad blood" between the two parties, the Daya Mitra Malindo official said. As a result, the consortium and Telekom Maiavsia were not able to start their 15-year assignment for the Kalimantan KSO at the beginning of this year as they were supposed to.

It is not clear how this delay will affect Telkom's earnings the Kalimantan KSO is the smallest of the five contracts which pledge to install a total of 2m lines - although the KSOs are widely recognised as being critical to Telkom's earnings growth.

### MIM Holdings result hit by mine shutdown

By Bruce Jacques in Sydney

Profits at MIM Holdings, the Australian mining group, have been hit by extended industrial action last year at the company's Queensland base metal and coal operations.

The company yesterday reported a 26 per cent rise in net profits for the first half to December, from A\$43.4m to A\$58.9m (US\$43.7m), on a 19 per cent rise in revenues from A\$1.13bn to A\$1.34bn. The Interim dividend is held at 2.5 cents a share.

However, the rise in profits relied on abnormal profit up from A\$19.3m last time to A\$43.4m, on the sale of shares in Metallgesellschaft, the German mining group, and restructuring of MIM's German

Before abnormals, the company's gross operating profit declined from A\$57.2m to fell from A\$41.9m to A\$34.5m.

A\$43.5m. Directors said industrial action which caused a mine and plant shutdown last year had forced the company to purchase metal products to maintain contract supplies. Inventory distortions have

severely impacted on the first half results, a direct consequence of the industrial problems last year. The impact of these distortions will be recovered in future periods, as sales volumes relate more closely to production volumes." Prices received for most of

the company's products improved in the year, with copper up 17.1 per cent, lead 8.2 per cent, zinc 2.3 per cent, gold 8.9 per cent, silver 7.8 per cent and coking coal 15.1 per cent. The result followed a tax pro-

vision of A\$29.4m, compared with A\$31.6m last time. Depreclation rose from A\$100m to A\$112.6m while interest costs



### Bristol-Myers Squibb Company

#### Cash Offer for

#### Pharmavit Gyógyszer-és Élelmiszeripari Részvénytársaság

(registered under the laws of the Republic of Hungary)

Bristol-Myers Squibb Holdings Limited, a wholly-owned subsidiary of Bristol-Myers Squibb Company, completed the acquisition of approximately 77% of the shares of Pharmavit Gyógyszer-és Elelmiszeripari Részvénytársaság, par value HUF 100, from Dr Imre Sornody and Genericon Pharma GmbH and its associates on 31 January 1996. Bristol-Myers Squibb also announces that the conditions to its cash offer made on 14 December 1995 have been fulfilled.

Bristol-Myers Squibb now owns or controls in excess of 99% of Pharmavit's shares.

On 26 January 1996, Bristol-Myers Squibb Holdings Limited announced that its cash offer had been extended until 16 February 1996, unless further extended. Any shareholders who intend to accept the cash offer should do

Pursuant to the cash offer, payment for shares and Global Depositary Shares in respect of which the offer was accepted on or before 31 January 1996 will be made by 10 February 1996. Payment for shares and Global Depositary Shares in respect of which the offer is accepted after that date will be made within 10 days of the date of acceptance. Accepting shareholders who have elected to receive Hungarian forints in cash may collect that cash from the office of Creditanstalt Securities Ltd., Nagysándor József u. 10, 1054 Budapest any time after the payment date described above. Shareholders who have accepted the offer and have elected to be paid by way of postal order or direct credit transfer to their bank account and holders of Global Depositary Shares need take no further action.

At an Extraordinary General Meeting of Pharmavit held on 31 January 1996, a resolution approving the withdrawal of Pharmavit shares from trading on the Budapest Stock Exchange was passed. Accordingly, Pharmavit will apply to the Budapest Stock Exchange for its shares to be withdrawn from trading as soon as possible.

Save as amended by this notice, the terms of the extended offer remain as set out in the offer document dated 19 December 1995.

Financial adviser to

Bristol-Myers Squibb

and Receiving Agent for

The Board of Directors of Pharmavit has approved the publication of this notice.

If you are in any doubt as to what action you should take, you should contact one of the following:

Financial adviser to Bristol-Myers Squibb and International Broker to the Offer Schroders

120 Cheapside London EC2V 6DS Tel: +44 171 382 6000

787 7th Avenue

New York

**New York 10019** 

Tel: +1 212 492 6000

Pharmavit Shares Creditanstalt Securities Ltd

Nagysándor József u. 10 1054 Budapest Tel: +36 1 269 0711

Receiving Agent for Pharmavit GDSs

The Bank of New York 46 Berkeley Street London W1X 6AA Tel: +44 171 322 6338

Tender and Exchange Dept. 101 Barclay Street New York New York 10286

Tel: +1 800 507 9357

The contents of this announcement, for which Bristol-Myers Squibb Company and Bristol-Myers Squibb Holdings Limited are responsible, have been approved by J. Henry Schroder & Co. Limited, which is regulated by the Securities and Futures Authority Limited in the United Kingdom, for the purposes of Section 57 of the Financial Services Act 1986.

### More enthusiasm inside the company than out

FT writers report on the reaction of management, analysts and shareholders

Hanson's demerger plans yesterday were attracting considerably more enthusiasm inside the company than outside it. The group's managers, who learned of the proposal only hours before it was announced on Tuesday, welcomed the opportunity for each division to stand or fall on its own merits.

Mr Bill Landuyt, future chairman and chief executive of the chemicals offshoot, said yesterday: "People like the chairmen of Quantum and SCM would be much more motivated, with their personal wealth linked directly to the performance of their busi-

nesses through share options."
On the stock market, however, Hanson's share price fell 8%p to 202%p, more than wiping out its gain on Tuesday. There is thought to have been heavy selling by income funds. reflecting the expectation that total dividends will fall follow-

The shares were further undermined by downbeat

Leading analysts yesterday published research which puts

the stand-alone valuations of

Hanson's four businesses at

well below the current share

ures above 200p with some below 180p, compared with yes-

terday's closing price of 202%p.

Valuations for the four busi-nesses, before debt, are in the

£2bn-£4.5bn range for chemi-

cals, £4bn-£4.5bn for energy,

£2bn-£3.5bn for tobacco and

22.5bn-23bn for building mate-

rials. After debt of about

23.5bn. post the disposals already announced, this gives

SBC Warburg, which at yes-

terday's opening had changed its recommendation to sell,

Moreover, Warburg has not adjusted for the expected rise

in the demerged companies'

overall tax rate, which several

valuing it at £10.5bn.

a total of £7bn-£12bn.

reached a value of 181p.

Very few brokers reached fig-

WALUATION - By David Wighton

lysts, most of whom calculate the value of the demerged groups at below the current share price.

Hanson's announcement also received a sceptical response from investment managers. One said yesterday: "We have about a 2.5 per cent weighting in the company. We are not very impressed with Hanson. It's totally unclear what is in this deal for shareholders."

He continued: "It gives Hanson a get-out on the dividend. This move reflects the whims of a management on its way out. They have a lot of mediocre quality businesses and it is hard to see how any one of them is going to be worth more on their own."

Another institution said: "There are costs involved - the cost of borrowing goes up, the credit rating goes down." A third commented: "We are very underweight. We have a stake because we have bought a few shares from time to time. but we have never really been able to understand the company. We have never been able

analysts estimate would

now to nearer 27 per cer

value to 200p.

increase from about 24 per cent

On the other hand, Warburg

has made no allowance for any

of the demerged companies attracting a bid premium. This might push the combined

Mr Andrew Mitchell at Mer-

rill Lynch estimated the

Derek Bonham, chief executive, left, with Lord Hanson before the annual meeting at which the demerger plan elicited few comments "Quartered, yes, but not hung

to get the bits to add up to the total. We don't know the valuations of the four companies. Where are they going to dump the debt? Imperial may be a good company, but not if it's carrying all the debt."

Bondholders have been especially wary after US credit rating agencies cut ratings or sig-nalled a possible downgrade. One UK investment manager said yesterday: "We are lucky

we've been able to sell the suitably balanced financial bonds. We've been selling down over the past year. The quality of the debt cover will be impaired. Bondholders will be jumping up and down and equity holders aren't exactly over the moon either."

So far, Hanson has told bondholders only: "The balance sheet and funding for each new business will be carefully

profile for each company, takand drawn" ing account of its earnings and Another small private inves cash flow characteristics. tor told Lord Hanson he fig-At Hanson's annual meeting, meanwhile, the demerger plan ured it made the shares worth 600p. The chairman said he could not comment on that val-

elicited few comments. One shareholder asked the chairman: "Now that the bord has decreed that we should be hung, drawn and quartered, does that mean the shares will

THE DIVIDEND - By David Wighton

### Sector yields imply dividends will fall

the slide in Hanson's share price yesterday was investors' ssumption that dividends will fall following the demergers. Hanson has said that each of the demerged companies

would pay a dividend "relative to other companies within its sector and to its financial condition and structure". Since Hanson's current yield

of more than 7 per cent is higher than the average for any of the four companies' sec-tors, the City has taken this as implying a likely reduction in the aggregate dividend.
The only company which

might be expected to have a yield close to the current level would be the energy business Yields on other UK regional electricity companies range from about 5 per cent to just over 7 per cent for the highly geared Northern Electric.

only benchmark is now BAT Industries, which yields only 5 per cent, though that is partly due to its large financial ser-

uation but, referring to earlier

criticism of the group's all-

male line-up of directors,

added: "I thank -you. If you

were a woman, we'd have you

Analysis suggest something earer 6 per cent for Imperial. The average yield for the rump building materials sector, which accounts for the bulk of the Hanson rump, is less than 5 per cent, while most US-quoted chemicals companies offer no more than per cent. Working through these num-

bers suggests that if the four companies did set their dividends relative to other companies with their sectors total payments might fall by a third. Few analysts expect such a steep cut, but the prospect explains why some income funds have been selling Hanson shares.

### Rumours of their death exaggerated

By Martin Dickson

First America's ITT, now Britain's Hanson. Do the decisions by these two classic conglomerates to break themselves up spell the death knell of this corporate life form?

The short answer is no, but the break-ups do underline changes in the business environment and investment fashion which mean conglomerates must work much harder than in the 1980s and 1970s to justify their existence. It is difficult to talk of the

conglomerate's death when some of the world's most successful businesses have many of the characteristics of the breed - a collection of unrelated, or loosely related businesses, built up by acquisition. Take General Electric, with interests from aero-engine manufacturing to television broadcasting. It has become the largest company in the US, by market value, thanks to a long period of consistently strong financial results.

Hanson, in its classic 1960s form, represented a distinctly different kind of conglomerate: a predatory company with an emphasis on taking over under-performing, preferably low-tech manufacturing businesses, selling on some of the assets and making the remaining operations sweat. in the UK, the same tag has

attached itself to a handful of companies in the diversified industrials sector, notably those run by former employees of Hanson, such as Tomkins, Wassall and TT Group, though each would say its strategy is more focused than Hanson's. That claim would also be made by BTR, with its emphasis on engineering, and Wil-liams Holdings, both of which were extremely aggressive acquirers in the 1980s but have recently been trying to shake off the conglomerate tag by focusing on core busi-

Analysts yesterday agreed that Hanson's decision was due largely to its particular problems: it appeared to lack direction and a clear successor to

had grown too bulky; and it had become increasingly involved in highly cyclical sectors (natural resources and chemicals), while suffering from weak cash flow and a high dividend policy.

However, its fate does underline difficulties for the class as

· Size matters. The larger a conglomerate, the harder it is to find acquisitions which will significantly improve earnings, and to run its existing operations efficiently.

• Investors attitudes have

changed. Fund managers tend to focus on particular sectors, while the excitement generated in the 1980s by the conglomerate takeover wave has long faded. Mike Murphy of SBC Warburg points out that Han-son's share price relative to the UK market peaked in 1986, when it was on a premium of almost 100 per cent. Today most conglomerates have price/earning ratios clustered

around the market average. · Companies are more tightly managed, thanks to recession, global competition and shareholder pressure, making it harder to find poor performers on which to pounce.

Yet, badly managed compamies will never cease to exist, thus preserving a role for the corporate predator. And, as Mr Chris Miller, chief executive of Wassall, points out, a conglomerate's fate comes down largely to the quality of its manage-ment. "Some are successful and some are not. How you manage your portfolio is what is important.

Hanson's break-up could actually help the UK conglomerates, since its poor share price performance has held back the sector's rating. So too could an economic slowdown which highlighted the defensive benefits of their diver-

Says analyst Mark Cusack of UBS: "Its easy to tar the sector with the conglomerate brush, but that gives valuation anonalies which investors should be able to exploit."

COMPANY NEWS: UK

### Elf Aquitaine and Enterprise reorganisation

By Robert Corzine and Antonia Sharpe

One of the more complicated corporate relationships in the North Sea oil industry came to an end yesterday when Elf Acuitaine, the French oil company, and Enterprise Oil, the UK explorer, "reorganised" their lossmaking Elf Enterprise Petroleum joint venture.

Elf Enterprise Finance, a subsidiary of EEP, raised about £229m from selling its 12.9 per cent stake in Enterprise Oil to BZW. Cazenove and Commerzbank, which later sold them to institutional investors. BZW and Cazenove were also

appointed to act as Elf Enterprise Finance's agent in the repurchase of £407.8m worth of exchangeable bonds, the largest buy-back of such bonds in the sterling market to date. The banks bought the 63.7m shares at 360p each, a discount of 5.5 per cent to the closing price on Tuesday of 381p. They then made a profit of about

institutional investors in the UK and abroad at 364p each. Elf and Enterprise said there would be no impact on the three North Sea fields operated by EEP. Elf will continue to run the Piper, Saltire and Claymore fields, as well as the

CENTRALE NUCLEAIRE
ELINOPEENNE
A NEUTRONS RAPIDES
S.A. - NERSA
FIJF 400.000,000
GUARANTEED FLOATING
RATE NOTES DUE 1997
ISIN CODE:
FROOO8818728

FRUUNES 18728
For the period
January 31, 1996 to April 30, 1996 the new rate has been fixed at 4,80312 % P.A.
Next payment date:
April 30, 1996
Coupon nr: 28
Annount:
FRF 240,16 for the denomination of FRF 20 900
FRF 1 200,78 for the fenomination of FRF 100 000
THE PRINCIPAL PAYME

THE PRINCIPAL PAYING AGENT SOCIETE GENERALE BANK & TRUST LUXEMBOURG

£2.5m by selling the shares to

Flotta oil terminal in the Ork-

ney Islands. The two compa-nies will convert their REP

ownership into direct interest EEP was formed in 1991 as a vehicle for the \$1.35bn purchase by Elf and Enterprise of the North Sea assets of Occidental Petroleum.

The creation of a joint venture was intended to end the uncertainty about Elf's plans for Enterprise, in which it held a quarter of the shares.

In recent years the new management at Elf questioned whether the joint venture was a core activity to the heavilyindebted group. Elf yesterday confirmed that

the end of the joint venture would substantially ease its debt burden. Enterprise said it will make a £25m provision in its 1995 results to reflect the difference

in the sale price of the shares and their carrying value of Shares in Enterprise closed 13p down at 368p. Analysts generally welcomed the move, but Moody's, the international rating agency, placed Enter-prise's A3 credit rating under review for potential downgrade because of the £118m of net debt the company will assume

because of the demerger.

break-up valuation at 187p and changed his recommendation from "neutral to modestly negative" at yesterday's opening level of 211%p. He said adding in a bid premium could take \$2.9bm, debt free.

Break-up value below share price

the figure to just over 200p. One of the few higher valuations came from James Capel where Mr Paul Beaufrers arrived at 224p. He was cau-tious about the shares in the short-term, maintaining his 'neutral" recommendation, and said he would expect the demerged groups to trade at a slight discount to the valuation profit and loss account.

the chemicals businesses. Although pessimistic about Quantum's short-term profit outlook, he is more bullish than most about its value. He values Quantum at 11 times historic earnings and the other chemicals businesses at 15 times, giving a total, including debt allocated according to size, of £4bn. NatWest Securities' most optimistic estimate for the chemicals company is

higher than most is because of

a more generous valuation for

Mr Beaufrere has also ignored the issue of Hanson's provisions for environmental claims on the grounds that break-up valuations should be based on published profits. Hanson's provisions result in a cash drain of more than 2200m a year but do not affect the NatWest reduces its total valuation by between £1.2bn and £1.5bn, to take these into account, while Warburg, which forecasts cash provision utilisation of £300m this year, takes off almost £2.5bn. NatWest, which moved its

recommendation from reduce to sell, produced a range of valuations stretching from 180p at the high end to just 137p. in the worst case. It concluded that an 18 per cent bid premium to its most optimistic figure - compared with the then market price of 212p · was not justified, given the "limited bid attractions" of the compo-

Particularly disappointing for Hanson may be the valuation analysts are attributing to Eastern. Hanson argues that subsequent takeovers in the electricity industry imply it bought Eastern cheaply, but most analysts believe its market value when separated would be less than the £2.8bn, including debt, Hanson paid.

### Appointee to take responsibility for corporate governance issues

### Warburg chief to head Pru funds

By George Graham, Benking Correspondent

Prudential Corporation yesterday recruited Mr Derek Higgs, managing director of the investment bank SBC Warburg, to chair its fund management arm and strengthen its voice on corporate governance

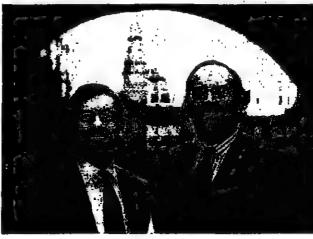
Mr Higgs will succeed Mr Hugh Jenkins as head of Prudential Portfolio Managers, Britain's biggest institutional investor with £76bn under

Mr Peter Davis, Pru chief executive, said yesterday it would have to be more accountable to the public for

"We needed someone big enough to talk about corporate overnance issues, telling a FTSE-100 chairman that he shouldn't also be chief executive, or a chief executive that he shouldn't be chief executive, which Derek is big enough to do," Mr Davis said.

Mr Davis said he had decided last year to split the chairman-ship of PPM from the fund management responsibilities. Mr Higgs was the only candidate to whom he had formally offered the job.

Mr Higgs said he had not been willing to accept the PPM job last summer, as he did not feel able to leave Warburg in the first weeks after its take-



Derek Higgs, left, with Peter Davis: need to be more accountable

### North American purchases help Allied Textiles rise 11%

A full contribution from North American acquisitions helped Allied Textile Companies buck the sector's trend to raise pretax profits 11 per cent in the year to September 30. While several textile compa-nies have warned that 1995

profits would fall below or in line with the previous year's figures, Allied lifted pre-tax profits to £18.9m (\$29m), against £17m, on sales up 26 per cent to £211.4m.

tive, said the group was helped by its geographic and product spread. "If the customer wants polyester instead of wool, we don't mind because we make

Operating profits from textile activities increased 12 per cent to £16.5m. Profits from the property portfolio added £2.4m, virtually unchanged from last

Mr Corrin said £30m of the sales increase was due to a 12 month contribution from 1994's

as opposed to seven months last time. Overseas sales, which rose to 52 per cent (43 per cent) of turnover, outstripped UK sales for the first time. The group's first published sectoral breakdown showed

that the natural fibres division suffered margin pressure from increased raw materials costs. However, profits in synthetic fibres rose 36 per cent. Profits in the carpet division, which incurred £400,000 redundancy

#### RESULTS 19.5† 1.21 6.8 0.84 10.9 1 6.521 0.81 1.7 3.96 26.15† 6 mins to Sept 30 (90.2 ) (31.9 ) (4.5 ) (28.1 ) (8.61 ) (20.2 ) (-1 ) (23.2 ) (58.9 ) (82.9 ) (92.9 ) (11.7 ) 6 miths to Oct 31 6 miths to Sept 30 6 miths to Nov 30 6 miths to Oct 31 6 miths to Oct 31 6 miths to Sept 30 5 miths to Oct 31 3.25 26 129.2 ... 6 miths to Sept 30 ... 6 miths to Nov 30 6 mittes to Sept 30+ Yr to Nov 30 32.2 39.9 0.5930.013 0.787

Earnings shown basic. Divisionds shown rist. Figures to brackets are for corresponding period. †On increased capital. 🗚 Har exceptional charge. 🎙 After exceptional charge.

#### Gehe holds talks with Lloyds

By Patrick Harverson

Lloyds Chemists, the pharmacenticals retailer, has held "friendly" talks with Gehe, the German drugs wholesaler which is considering whether to make an offer for the UK Samuel Montagu, the mer-

chant bank advising Lloyds, said the discussions with Gehe had been amicable and that it was possible there would be further talks. Lloyds is already the subject

of an agreed £528m (\$813m) takeover bid from UK drugs wholesaler UniChem. Yesterday it advised shareholders UniChem offer until Gehe had decided whether or not to table a rival bid.

#### Ashanti stake sale

The government of Ghana is seeking parliamentary approval to sell part of its 28 per cent holding in Ashanti Goldfields, privatised in 1994. It was unclear how many

shares would be sold – each 1 per cent would raise about \$20m - but the government has assured Ashanti that it wants to retain more than 20

#### LEX COMMENT Alliance Leicester

Alliance & Leicester may claim it is pushing through its conversion to bank sta-Pre-tax profits (2m) tus, ahead of the Halifax and the Woolwich, because of enthusiasm for the project. But equally pressing is the need to lessen its exposure to predators. After flotation, new banks have five years of

takeover protection. If they have not achieved critical mass by then, they will be sitting ducks. The decision to go public will not necessarily forestall hostile approaches before converany management to turn

sion. It would be hard for source Allence & Leicester down a substantial premium to the group's flotation price. The prospect of paying more than two times book value will certainly discourage potential suitors, but A&L's diversifica-tion - more than 40 per cent of its business is non-core makes it one of the more attractive targets.

makes it one of the more attractive targets.

Its Girobank subsidiary is a possibly undervalued gem. The market leader in cash-handling services – its retail business having been subsumed by the building society – Girobank generated pre-tax profits of nearly £70m in 1994. It could be sold as a separate business, helping to finance a take-

And although the society is well run, its 68 per cent cost/income ratio leaves plenty of room for cost-cutting.

This is the nub of the problem for all the societies. With core markets stagnant, financial services businesses need to boost earnings by cutting costs — which is much easier through consolidation. Medium-sized societies like A&L face a tough fight for independence.

### Fyffes rises despite banana price war

By Deborah Hargreaves

Fyffes, the Dublin-based fruit and vegetable distributor boosted pre-tax profits by 16 per cent from IE36.1m to IE42m (\$67m) last year, in spite of being caught in a retail price war for bananas in the second

Fierce competition between supermarkets pushed the price of bananas down to 19p per lb late last year - nearly half the cost price. Fyffes jointly acquired the

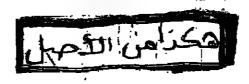
banana operations of its rival Geest three weeks ago and will complete a strategic review of these operations in six to eight weeks' time.

The joint venture set up with the Windward Island Banana Development Company was considering options for the two

large ships which came with the £147.5m buy and a farm in Costa Rica. "We may not just sell the ships, but swap them for something of a different size," said Mr John Ellis, managing director of Fyffes UK.

The Geest deal was the latest in a line of acquisitions pursued by Fyffes in the last 18 months towards becoming an important competitor in the fresh produce market in Europe, particularly in Germany, the Netherlands, Spain and Scandinavia

The company pointed out that cash flow had remained strong. Last year it was boosted by Ir15.7m to Ir68m from the sale of Vangen, its logistics business. After the purchase of the Geest operations, net cash will reach about 1£35m this year.



### FINANCIAL TIMES SURVEY

### ACCESSING THE US CAPITAL MARKETS

### Only in America are resources this deep

The world's biggest economy boasts the most flexible and liquid pools of corporate funding. But foreign issuers have to adapt to suit US investors, not vice versa, writes Maggie Urry

famous US bank robber, was once asked why he robbed banks. Because that is where the money is, he

The second

The street of

 $\label{eq:continuous_problem} \langle v_{i}, v_{$ 

A Lite A Lite 1 225

100 A 100 A

THE THEFT

ं स्वाह्म

Leicester

3.55

Re 1.1

 $(S^{n}_{+}, I^{n}_{-})_{\leq n}$ 

12 50 30 50

100 1 2 m 2

924-01-1

war

s which

The training of the control of the c

or deal of the second of the s

Nethern Brother Brother Sale of Sales Sale of Sales Bas ness

200

77 785

given to companies or borrowers wondering why they should seek to tap the US capital markets. The Securities Industry Association estimates that the US capital market is the largest in the world, with issued debt and equity, both public and private, worth more than

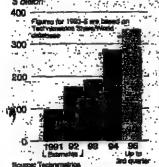
It is a particularly auspicious time to raise capital in the US. American stock and bond markets rallied strongly last year, encouraged by declining interest rates and the prospect of further talls. Yields are relatively low, price/earnings multiples are high, and new issues of debt and equity have been Well-received.

US investors are increasingly diversifying their portfolios outside America, believing that domestic markets cannot repeat their 1995 performance in 1996. And they are trying to find better value than is avail-

able from domestic issuers. Thus there is good demand in the US for paper from foreign entities. On the other side of the equation, many of the latter have a great need to raise capital.

Businesses located in developing countries, for instance, often find their own markets cannot meet their need for cash. Mr Alvaro de Souza. executive vice-president in charge of Citicorp's cross-border finance group, says: "The on-going need for capital in the emerging markets cannot be met domestically."

USE investment in foreign 14.00 J 16.00 PM



He adds that emerging market issuers raised \$69bn in capital markets outside their home countries in 1995, showing there is "continued investor appetite" for these capital raisings. This is despite the economic problems Mexico faced at the end of 1994, which precipitated a crisis that investors are only just beginning to

forget. The worldwide trend for the privatisation of state-owned assets has driven many companies to sell their shares in the US and other international markets. Few domestic markets can supply the large amounts of capital it takes to buy a national telecomunications company from a government, for instance - at least not at a price which represents

good value for taxpayers. In 1995 privatisations accounted for 42 per cent of the capital raised through issues of American Depositary Receipts, according to statistics from Citicorp. The leading issuers included ENI, the Italian oil and gas group, SGS-Thomson Microelectronics, the Franco-Italian semiconductor maker. KPN, the Dutch post and telecoms company, and Telefonica de España, the Spanish telecoms group. This year's privatisation of the German telephone utility Deutsche Telekom is expected to be a

blockbuster. The surfeit of state sell-offs. especially of telecommunications groups, is beginning to tire investors. Last autumn Indonesia's PT Telkom had to scale back its offering because of poor demand. It will be interesting to see how Deutsche Telekom's issue is

received. Emerging country issues and privatisations aside, a good range of private companies from developed nations are seeking to sell shares or to

raise debt in America. They often believe that a US listing will broaden their shareholder base and increase the valuation of their stock. That reduces the future cost of issuing new equity, and of the issuer uses shares to pay

for the purchase. Research by Professor René

fillie Sutton, the Stulz of the Ohio State University suggests companies can raise money more cheaply if they have a US listing. In an article for the Journal of Applied Corporate Finance. The same answer might he Professor Stulz asserts: "The progressive integration of international financial markets is bringing about a significant reduction in the cost of capital to public corporations around the world."

Professor Stulz studied the effect of the removal of restrictions on foreign ownership of Nestlè shares in 1988. After the Swiss foods group allowed foreigners to buy its stock, the price soared, and Professor Stulz found Nestle's market value showed "an increase of 10 per cent, which is consistent with a significant decrease in its overall cost of capital".

s non-US companies head for the American stock markets there has been a rise in the number of companies listed there. The number of foreign companies listed on the New York Stock Exchange has doubled in the last three years.

Even so, Mr Richard Grasso chairman of the NYSE, regards foreign companies as providing the greatest potential for growth in listings on the Big Board. He says that if a third of all those non-US companies which are eligible to list on the NYSE did so, then the exchange's market capitalisation would double from its current \$6,000bn.

The three US stock markets are each aiming marketing campaigns at non-US companies, eager to offer them the chance to sell shares to Ameri-

can investors. Companies unwilling or unable to register with the Securities and Exchange Commission and achieve a listing on either the NYSE, the National Association of Securities Dealers Automated Quotations (Nasdaq) market or the American Stock Exchange can join the so-called "pink sheets" market, the OTC Bulletin board; or resort to private placements of equity.

The US markets also have advantages for those seeking debt rather than equity capital Many companies with American subsidiaries use them to raise dollar debt to hedge their dollar assets. Other borrowers use the swaps market to convert low-cost US debt into cheap borrowings in their

home currency. The country's debt markets offer greater flexibility in structuring issues than many counterparts. Investors in the US domestic bond market are prepared to buy foreign issues of debt securities - known as Yankee bonds - with a wide range of maturities, making it easier for borrowers to tailor issues to their own special

requirements. Recently the People's Republic of China sold a \$100m 100year Yankee bond offering. which given that country's recent turbulent history demonstrates US investors' accom-

modating nature. Borrowers can also use the private placement market to issue debt with longer maturities than would be available from more traditional sources. And they find that investors are willing to make the effort to get to know an unfamiliar company.

The gains are not without costs. The price non-US entities pay for getting access to the world's largest capital market is a readiness to conform to

US investors' expectations. Disclosure is the most obvious area. Reporting requirements in the US are often very different from those in an issuer's home country, and some are unwilling to release the required information. While there has been some easing of regulations, many US investors prefer to see companies accounts drawn up using US

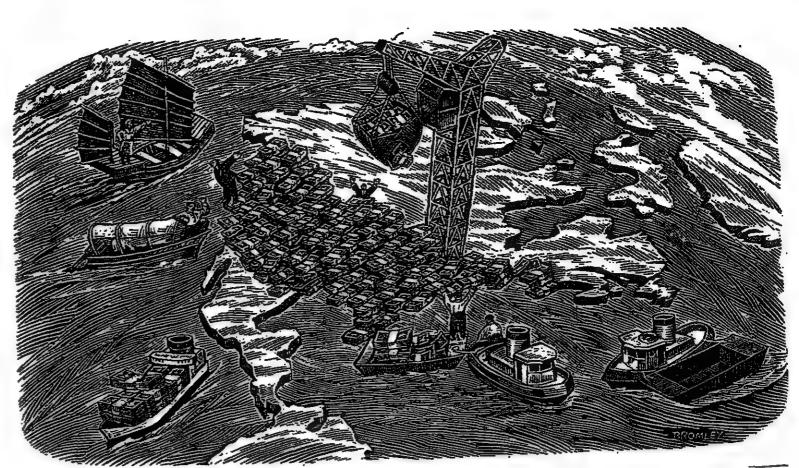
standards. Mr Ron Corwin, executive vice president for marketing at the American Stock Exchange, says: "A relatively modest number of companies have been willing to do what needs to be done to comply with the reporting requirements of the SEC. But it is an increasing

A recent survey of US institutional investors' attitudes to investing abroad by Broadgate Consultants, an international corporate and capital markets consulting group, found most plan "to increase overseas investments substantially over the next twelve months'

It discovered that 92 per cent of institutional investors think quarterly reporting is critical Further there is an increasing concern about corporate gover nance practices - 86 per cent of companies do not pay enough attention to issues of corporate governance and shareholder Mr Bill Jenks of Broadgate

adds that respondents indicated that they like non-US companies to have an American depositary receipt facility, even if they buy shares in local stock markets rather than ADRs themselves. He says an ADR facility demonstrates a commitment to US investors on the part of a company.

Commitment from both sides issuers and investors - can create a profitable alliance.



### **DEPOSITARY RECEIPTS**



© 1995 The Bank of New York Member FDIC

■ Yankee bonds: by Antonia Sharpe

### Hard work prevails

Persevering issuers open up a path to a deep and dependable source of capital

Jumping into the Yankee bond market - the US domestic bond market for foreign issuers is daunting, but according to those who have taken the plunge, it is well worth the

Would-be issuers must meet several requirements before they can tap the US public debt markets. The most important is to register with the US Securities and Exchange Commission (SEC), which requires the issuer to reconcile its accounts with US accounting standards. Companies also need to get a credit rating from two leading credit rating agencies to satisfy US investors.

Over the past few years the SEC has encouraged more foreign issuers to come to the Yankee bond market by making the registration process less onerous. The body now gives greater importance to



Working for the Yankee dollar: Ray

standards laid down by the issuer's national regulator, for example.

Since the registration document contains a lot of new information which could be sensitive in the issuer's home market, the SEC allows the issuer to make a "confidential" listing - details will only become public once it is ready to go ahead with its debt offer-

The greater flexibility of the SEC has boosted the volume of Yankee bond issuance. According to data from Merrill Lynch, the US investment bank, volume rose from just over \$12bn in 1990 to \$28.7bn in 1993, when many companies used the bull run in the bond market to ing debt cheaply. Issuance dropped to \$15.8bn in 1994 but picked up again to \$22.2bn last

Some 54 per cent of total issuance in 1996 was raised by industrial companies, 23 per cent by financial companies and the rest by supranational

Despite the SEC's relaxation of listing requirements, preparYankee fixed-rate non-convertible debt efferings Vale a ...

ing a registration document still involves a significant amount of work. Mr Ray Curran, chief financial officer of Jefferson Smurfit, the Irishbased international paper and packaging company which made its debut in the Yankee bond market last year, describes the whole process as "time-consuming, complex and

The benefits which result from being able to tap the world's most liquid bond market make it all worthwhile, he says. "If an issuer is looking for debt of longer than 10 years, it is worth the effort." says Mr Curran. "If it is looking for debt with a maturity of 20 or 30 years, the Yanbond market is definitely

the only place to be."

Smurfit raised a total of \$600m through two Yankee bond offerings, with maturities of 10 and 30 years, to refinance bank debt taken out to buy a French paper company.

Mr Russell Chambers, a

director at Merrill Lynch which arranged Smurfit's offerings, says issuers can sell bonds with very long maturities in the Yankee bond market because of the depth and liquidity of the US public debt

Century bonds have been the latest theme in the Yankee bond market, adds Mr Jonathan Hakim, a managing direc-tor at Lehman Brothers in London. This month, Lehman arranged a \$150m offering of 100-year bonds for Tenaga, the Malaysian electricity company.

By contrast the appetite for long-dated bonds in Europe is far more limited. Retail investors in the eurobond market are generally reluctant to buy bonds with a maturity of more than 10 years.

The dominance of institutional investors in the Yankee bond market means that it is much more dependable than the eurobond market where sentiment towards the various by foreign exchange and domestic bond markets. "The Yankee bond market provides funding for companies day in and day out," says Mr Cham-

Another advantage which the Yankee bond market has over the eurobond market is the access it provides to issuers with lesser credit ratings. Most companies with a credit

The Financial Times plans to

publish a Survey on

America

Investmer

on Monday, March 25.

It is not yet clear whether the Mexican financial crisis

represents a short-term disappointment or a more

fundamental setback to the region's long-term growth

prospects. This survey will review the issues and policy

For more information on advertising opportunities in this

Penny Scott in New York:

Tel: (212) 688-6900 Fax: (212) 688-8229

investment in Latin America.

FT Surveys

survey, please contact:

rating of below double A find it difficult to raise funds in the surobond market.

In the case of Smurfit, which has a rating of A minus from Standard and Poor's and Baal from a competing agency, Moody's, the size of the offering it planned would not have been possible in the eurobond market, so it went to the Yankee bond market instead.

In addition eurobond investors often buy bonds purely because they recognise and respect the issuer's name. If a

> The appetite for long-dated paper is keener than in Europe

company is not well-known on the Continent it would have to pay a hefty premium to access the market. The small premium foreign

issuers once had to pay when tapping the Yankee bond market has disappeared, says Mr Bob Hugin, the managing director in charge of debt syndicate at JP Morgan in New York. Over the past year the bank has arranged Yankee bond offerings for Legrand, a French electrical group, and for Dresdner Bank, Germany's second-largest bank.

In Mr Hugin's view, the increasing popularity of the Yankee bond market is due to the desire of US investors to geographically diversify their credit risk. "They are looking to build up a more diversified credit portfolio," he says. He adds that the improvement in technology and communications means that US investors have become more comfortable with foreign issuers than in

The Yankee bond market provides issuers with a great deal of choice about the structure of their debt. Although call and put options have been market over the past year, they are still rare features. In contrast investors in Yankee bonds are used to buying bonds with options of this kind attached to them.

Bankers believe that in future more foreign companies will brave the time-consuming listings procedure to tap this dependable and versattle mar■ The Rule 144A market: by Maggie Uny

#### better than bonds Shares

This financing method faces competition from traditional private placings of debt

In the 1970s and 1980s the Securities and Exchange Commission, which regulates American securities markets, believed that if foreign companies wanted to tap US markets they would have to play by the same rules as local issuers. That meant going through the long and expensive process of registering an issue with the SEC, and thereby revealing information which many non-US companies had not published before

By 1990 that attitude had changed. The SEC realised that a number of non-US issuers were turning to other markets, such as the euromarkets, to raise both debt and equity capital and the US was losing

It was in that year that the SEC passed Rule 144A, which allowed non-US companies to issue debt or equity in the American market without registering it. The paper had to be sold to qualified institutional buyers (Qibs), who could then trade their holdings with other Qibs in the secondary market. And after two years, unregistered securities could be sold in the public markets.

The supposedly liquid after market produced by the Qibs was meant to increase the range of investors who would buy the paper and, in turn, make it easier for foreign issuers to raise capital.

The Qibs had to be large investors, in most cases managing assets of over \$100m. who were expected to be sophisticated anough to look after themselves in terms of appraising issuers and the value of securities.

Sincs 1990 the 144A market has grown in fits and starts. According to Mr Stephen Schechter, a managing director at Schroder Wertheim, a leading investment bank in the sector with \$5.5bn of cross-border private placements to its credit, the philosophy of Rule 144A was excellent - to attract high quality foreign issuers to

Top 20 managers of 144A private placements 1995 Value (Sm) No. of deals Merrill Lynch 1,558 1,363 Goldman Sachs 10.7 Salomon Srothers Lehman Brothers 806 714 JP Morgan Morgan Stanley CS First Boston 684 584 370 358 9 Bear Steams 10 BZW/Barclays 11 Donaldson, Luffdn, Jenretts 357 Deutsche, Morgan, Grenfell 13 ING Barings 14 Smith Barney 15 UBS Banque Parit 18 Prudential Securities 19 HSBC Group

For equity issuers, he says, "the 144A market is alive and well and working beautifully". However, for debt issuers, he says, the market has only really come alive in two areas: the high yield sector and the larger investment grade area. by which he means issues of

In other areas he judges that the 144A market has not taken off. There is not much pricing differential between the traditional private placement market and the 144A market, and the extra cost of having an issue rated by the credit rating agencies for the latter market can substantially erode the



Liquidity on tap: Anglian Water raised \$10m through a 144e placing

benefit of a lower yield.

Mr Stefan Shaffer, president of SPP Hambro, the leading arranger of European private placements in 1994 and 1995, agrees that the traditional private placement market is still the place for debt issues. The main buyers of the paper are insurance companies, which have had a lot of cash to invest in recent years. They are essentially buy and hold investors, looking to match their long term liabilities with long term assets. Although they can trade the paper even without the 144A rule, they generally do not.

Mr Shaffer says that there is so much liquidity available from buyers of traditional private placements that it has not been necessary to tap the other buyers attracted to the 144A market

One of the largest buyers of private placements, Cigna, the insurance group, invested \$2.5bn in the market last year. Mr Malcolm Smith, who is in charge of private placements at Cigna, says that insurance companies currently have "a tremendous amount of cash to invest". In recent years, he adds, approaching one third of issues in the private placement market have come from non-US issuers.

The number of issues in the 144A market contracted somewhat in 1995. Cigna put 10 per cent of its private placement money into that sector com-

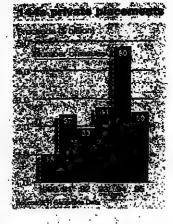
pared to 17 per cent in 1994. High liquidity combined with a general decline in US interest rates over the last year bas made the US market an especially attractive place for non-US issuers. Many of them have subsidiaries in the US and wish to hedge their dollar assets with dollar borrowings. Others swap the proceeds back into their home currency.

The market is receptive to. issues from companies which are not household names in the US, and can be a worthwhile source even of remarkably small sums of money. Anglian Water, of the UK, for instance, recently raised \$10m. through a 144A placement. Mr Schechter cities the exam-

ple of an issue he arranged for HP Bulmer, the British cider company. Although the business was as unfamiliar to US

investors as the concept of an alcoholic, apple-based drink, Bulmer was able to raise \$45m through tranches of 7 and 10 year paper at an interest rate cheaper than for a five-year bank facility. Four insurance companies bought the entire

issue. Another borrower Mr Schechter is proud of having brought to the US market is Macmillan, the book publisher. As a private company, Macmillan had few sources of long term finance, but was able to



raise money more cheaply and for a longer period in the US. Mr Shaffer gives an example of another UK company, Shandwick, the public relations firm, which last month completed a \$40m private placement, even though it is a "people business" and therefore lacks the asset backing some lenders look for. The deal was sold on the company's ability to generate cash flow, and it improved the company's

UK borrowing profile too. Trading in 144A issues can be transacted through the National Association of Securities Dealers' Portal system which stands for Private Offerings, Resales and Trading through Automated Linkages.

Mr Schechter says that Schroder Wertheim also trades 144A bonds, but finds that few change hands. An example he gives is of Rank Organisation. which has issued a total of \$800m of bonds over recent years. Mr Schechter says less than 10 per cent of the total has been traded, and then only between the 26 institutions which were the original buyers

### The world according to US GAAP US capital markets. The London Stock finance, suggests Sir Bryan Carsberg, take about it: any nation that is expect-

Foreign companies find conforming with America's accounting

rules so irksome that many avoid its markets Daimler-Benz's arrival on the New

York Stock Exchange (NYSE) in 1993 was meant to herald a new dawn. The first German company to co to the public equity market in the US, the car and aerospace group seemed at the time to be blazing a trail that oth-ers would follow. Its willingness to bow to the US's securities regulations including its accounting and disclosure rules - marked a breakthrough in

trans-Atlantic financia The elation proved short-lived. For the first half of 1993, Daimler-Benz reported an after-tax profit of DM168m (\$155m) - at least, under German accounting rules. Applying US generally accepted accounting principles (US GAAP) turned this into a loss of DM949m. That was followed by a bigger loss for the full year, as the company moved to clean up its balance sheet.

The discrepancy in accounting treatment provided a strong reminder of just how dissimilar national accounting rules remain, while failing to

endear the company to US investors. These events may have discouraged other foreign businesses from tapping the US stock market. According to officials at another German company that had considered a New York listing, Daimler's problems cast doubts over the credibility of German accounts and made it hard for others to follow in its

footsteps.
"It was unfortunate," concedes Mr James Cochrane, senior vice president of economic research at the NYSE, of Daimler's accounting difficulties.

Daimler is not alone. Mr Arthur Levitt, chairman of the US's Securities and Exchange Commission (SEC), commented recently that many foreign companies - particularly those from Europe - lack the openness of US counterparts. He was speaking shortly after Nokia, the Finnish telecommunications group, shocked US investors with a profits warning.

Differences in national accounting rules are one aspect of the problem, says the SEC chairman, who criticises responses to the crisis, and the prospects for foreign some companies to budge from their some companies for being "chauvinisdomestic accounting regimes. There is, he adds, a broader question of the "cultural differences" that complicate attempts by foreign companies to go public in the US.

Cultural and political rivalries inform the whole debate on international accounting, making it one of the thorniest issues in the development of international capital raising.

Differences in national accounting and disclosure regimes has belped keep companies from countries like Ger nany and Switzerland away from the

company that complies with International Accounting Standards, has long had an advantage over its US rivals in attracting foreign corporations.
Under Mr Levitt the SEC has made want a seat at the table," he says.

some concessions. It recently agreed to accept cashflow statements drawn up in accordance with International Accounting Standards Committee (IASC) rules and to allow companies to use IASC guidelines when determining whether or not they can use pooling to account for a business combination.

The requirement to comply with US GAAP remains a daunting obstacle for many foreign companies, the most visible symbol of the gulf that separates the US and European capital markets.

The chances of that chasm being bridged are better, however, than the have ever been. A year ago the IASC won a commitment from an international grouping of securities regulators including the SEC - that could make international accounting standards the vehicle for entry to US markets.

If the IASC can achieve the considerable task of tightening its current set of rules, regulators around the world have promised to accept accounts which follow international standards for listing purposes. In effect, that would open up three national markets which do not accept IASC standards: the US, Japan and Canada.

The IASC provides a forum for continental European companies which want to raise capital internationally particularly in the US - but do not want to play by the rules of American

"Germany and France are not going to let the US write their accounting rules for them over the long haul - they

A growing number of German, Swiss and French companies have already started to issue financial statements which comply with IASC rules. One. effect, say advocates, has been a greater appetite for their securities outside their domestic markets. Ciba Geigy, for instance, has said

that it believes international-style accounts have helped lift its share price. Mr Paul Brunner, a manager at Coopers and Lybraud (C&L), says: There was a high premium for uncertainty because no-one understood Swiss accounts."

The latest breakthrough for the credibility of the IASC's body of rules came late last year with a decision by Deutsche Bank to use international standards. The internationalists of the accounting world now hope that Deutsche Telekom will follow suit.

The shift to IASC standards would also get a big boost if, as they have intimated, legislators in Germany and France move to allow companies to use international standards for domestic reporting purpos

That does not mean that the IASC is about to provide a back door into the

Mr Levitt, for one, makes it clear that the US is not about to take a less stringent approach to foreign companies. "I am committed to international

standards is making an error, beca that will not be the case." Mr Levitt says that he has "no partic-

ular allegiance to US accounting standards merely because they are from the US." but adds: "They are the best, most revealing in the world." The IASC, for its part, is equally ada

mant that no easy compromises lie ahead. "We're not, of course, looking for our standards to be a soft option, says Sir Bryan. All of this points to some heated

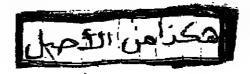
ccounting battles ahead. The greatest debate is likely to centre on the areas which, traditionally, have divided nations: how to account for the goodwill that arises on an acquisition, for instance, or the level of segmental information a company should provide. Newer areas like disclosure of derivatives holdings will also consume much

energy, as will pension accounting - a field where different tax rules, funding requirements and actuarial practices make consistency difficult to achieve. The IASC has set itself a five-year timetable to achieve its goal. To get there, it will need more resources - Sir Bryan wants to lift the committee's

Mr Brunner at C&L says: "The work plan is quite aggressive - when you're talking about change on a world scale, 5-10 years isn't so long." Meanwhile the US stock markets seem unlikely to see a sudden floor of continental European listings. But,

budget from £1.1m a year to £1.75m.





### Trio battle for foreign issuers' favour

Three markets share a single goal: to win the most listings from non-US firms

·irs i pyg

The second of th

d b(scement

1.00

Car of the late.

the an area and area

an mental and final and an area and an area and an area and area a

aroff - 2 2 3

access and a profit and the second a

E there are the first than the first

for the second of the second o

40 131

POS ANT TO SERVE AND ASSESSMENT OF THE PARTY ASSES

1.12 Mai

The growing interest being shown by foreign companies in listing their shares in the US has prompted American stock markets to target them as a source of growth. The exchanges are engaging in a marketing battle to increase their share of the available trading.

Mr Richard Grasso, chair-man of the New York Stock Exchange, believes non-US companies have far greater potential to add to the number of concerns listed on the "Big Board" than US counterparts. He sees the NYSE becoming "a global institution in the full sense" when it captures 450 to 600 foreign listings, enough to give it the critical mass to create and test products and services for the global investor. At present the NYSE, which

had a market capitalisation of stringent than those of the nearly \$6,000bn at the end of 1995, lists around 250 non-US companies among its total of 2,700 companies. More than half of those 250 joined in the last four years. Trading in foreign shares now accounts for around 12 per cent of total NYSE volume, with some of them - such as Telefonos de Mexico - among the most

actively traded stocks. The other exchanges have also spotted the opportunity for growth that non-US listings present. Strictly speaking, only the NYSE and the American Stock Exchange (Amex) are regarded as exchanges. The National Association of Securities Dealers Automated Quotations (Nasdaq) market is an over-the-counter market. Companies can also see their shares traded on the so-called 'pink sheets" market operated by the NASD.

The NYSE is regarded as the most prestigious exchange, with most of the largest US companies listed there. Its listing criteria are much more

Amex and Nasdaq markets and the cost to the issuer is several. times greater.

Ms Catherine Kinney, group executive vice president in charge of listings at the NYSE. says the exchange has for many years been targeting non-US companies. It has established offices in London and Paris, and identified and approached concerns which would qualify to list on the Big

Smaller markets may cater best for smaller companies

The NYSE believes it offers the "finest equity market in the world" she says, and many large companies are attracted to it because their peers are already listed there,

Nasdaq, which is the second largest market in the world after the NYSE, is equally determined to win new companies. Although its market capitalisation is lower than the NYSE's, at \$1,150bn, it lists more companies - over 5,000 of which 350 are foreign.

Although its criteria for listing are less stringent, Nasdaq

points out that many of its largest companies - husinesses like Microsoft, Apple Computer and intel - are well-qualified to move to the NYSE but choose to stay with Nasdaq. Ms Ellen Hipschman who

runs Nasdaq's international marketing efforts, argues that Nasdaq is not a "junior market". Although the average company listed there is smaller, the level of regulation is the same. Nasdaq has a reputation for listing high-technology stocks, to the extent that ome non-US companies seek a primary listing on Nasdaq before floating shares in their home country, because they feel the US investor base is more sophisticated when it comes to evaluating information technology companies.

Ms Hipschman argues that Nasdaq offers more support to non-US companies whose shares are traded there. A director is assigned to look after each company. Listed concerns are featured in a Nasdag magazine, which is sent to fund managers, and the exchange organises conferences and seminars at which top management can meet investors. The marketmakers are usually broking firms which also publish research on

The Amex is smaller again, and lists only 20 non-US companies. Its speciality is healthcare companies, with names like Medeva of the UK on the list. Mr Ron Corwin, executive vice president for marketing at the Amex, echoes Nasdag with the claim that the Amex offers companies more support than

Although he admits the larg-

the NYSE.

est companies will have higher visibility on the NYSE, smaller groups fare better on the Amex, he says, Mr Corwin believes that the conferences and investor relations workshops organised by the exchange help companies to communicate with Wall Street. between the markets concerns trading methods. The NYSE and Amex are auction markets, where buy and sell orders meet through a single "specialist" dealer to set the price of a security. Nasdaq by contrast, is quote-driven. Competing marketmakers post the prices at which they are willing to

and sell prices available Supporters of the Nasdaq system, which is similar to that used in the UK markets since the Big Bang ten years ago, claim competition

trade on computer screens. which also show the best buy

An important issue for the exchanges is whether to expand into non-dollar denominated listings. At present the shares of most non-US companies shares are quoted in the form of American depositary receipts (ADRs). which are denominated in dollars. Mr Grasso has raised the idea of

exchanges are likely to follow. Ms Kinney says the NYSE is planning a pilot scheme to begin by the end of this year. Between 5 and 10 shares will be traded in their ordinary

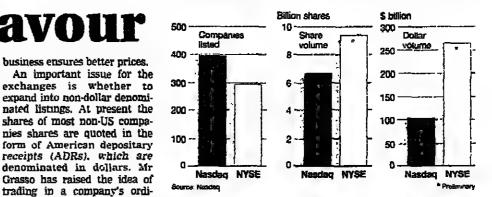
nary shares in the currency of

its home market. If the NYSE

moves that way the other

form beside the ADRs. Although ADRS are useful for companies from emerging markets, Mr Grasso suggests the bulk of trading in a foreign company is likely to be in the form of ordinary shares in future. For the NYSE to increase its share of a company's stock trading it needs to list the ordinary form too. The NYSE may also extend its trading hours to accommodate foreign companies and investors. If the plan is successful it

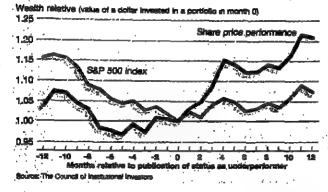
will be a step along the road to a truly global stock market matching the increasing internationalisation of many issuForeign shares traded on the MYSE and Nasdao 1995





Nasdag dealers compete to post the keenest share price

#### Performance of activism targets



Corporate governance: by John Plender

### **Investors** eager to call the tune

Campaigners for shareholder value have foreign companies firmly in their sights

Ten . years . ago . shareholder activism was a less familiar feature of US capital markets than of UK counterparts. reversed. Both institutional investors and individual shareholder activists in the US have. brought about significant changes in the boardrooms of sading American companies. Such interventionism, often conducted noisily and publicly. is now beginning to spill over into European markets, as US investors diversify their portfolios overseas.

Concern over corporate gov-ernance issues in the US is in part a response to criticism of big shareholders' lack of success in preventing managerial failure at companies in which they had invested. It is made possible by the growing institutionalisation of the US equity market and encouraged by the growth of indexed funds, where the sale of shares

#### A few shareholder activists wield huge power

is ruled out as a response to poor corporate performance. Yet these are now common factors between the US and the UK. If approaches to corporate governance in the two countries contrast, it is probably due to differing legal frame-works and cultures.

A relaxation in 1992 of the Securities and Exchange Commission's rules on communication between shareholders has opened the door to quick proxy protest campaigns and to greater disclosure of boardroom pay. Equally importantly the US Department of Labour's guidelines require proxies to be voted on all issues that might affect the value of a pension scheme's investments. While some fund managers continue to vote on a knee-jerk basis to support the board, many argue that compulsory voting has had a consciousness-raising effect on behaviour.

According to a recent survey by Russell Reynolds Associates and The Wirthlin Group, shareholder contact with the boardroom has been growing and more than two in five institutional investors have conveyed opinions directly to company boards. But while many institutions have voted in favour of shareholder resolutions few

have actually sponsored one. That perhaps gives the lie to the idea of widespread public intervention. Most US institutional investors prefer to deleyoting power to fund managers, for whom activism may appear an unattractively highprofile and costly business.

The most spectacular recent corporate governance reforms have come from a small group of public pension funds and private activists.

Eastman Kodak's sale of its chemical business and its sub-sequent change of chief executive officer, for example, were prompted chiefly by the California Public Employees Retirement System (Calpers) and the ees Retirement System. Retailer Sears Roebuck's divestment of its financial interests came after pressure from veteran activist Robert Monks. And a controversial restructuring plan at retailer Kmart was thrown out thanks to pressure from the State of Wisconsin Investment Board.

Yet if the visible proponents of activism are relatively small in number, the strength of the governance bandwagon should not be underestimated. The Council of Institutional Investors, which speaks for pension funds with more than \$800hn under management, enjoys an increasingly high profile as a corporate monitor.

Unlike comparable bodies in Europe, it has, for the past four years, published a list of underperforming companies. The council's members are then encouraged to apply pressure. usually privately, to the corporate boards in question. Calpers follows a similar policy, although here monitoring and gingering are conducted by the same organisation.

How successful such institutional productivity chasing has been remains controversial. Academic studies do not come to uniform conclusions. Yet Calpers is in no doubt that activism enhances the fund's returns. A survey commissioned from Wilshire Associates found that shares of 42 underperforming companies targetted by Calpers had outperformed the S & P 500 index by more than 40 per cent in the five years that followed the ini-

tial action. A study in August 1995 for the Council of Institutional Investors revealed superior average share price performance by 97 companies against the S&P 500 in the year after appearing on the council's hit list. It confirmed improved performance against other yardsticks such as earnings growth.

Meantime Calpers has shocked corporate Germany by showing itself prepared to raise questions at annual general meetings. Other US investors have campaigned on share-bolder value issues in France, though to no great effect so

Yet US influence is set to increase in Europe, partly because Department of Labour guidelines require pension funds to vote overseas as well as at home, but more fundamentally because many European companies want access to US capital, Improved disclosure, monitoring and governance are the price that US investors exact for this accom-

### Over \$5,500,000,000

### Schroder Wertheim & Co.

### A World Leader in **Cross-Border Private Placements**

We are proud to have arranged commitments for the following:

**Anglian Water Plc** 

**Bardon Group plc** 

H.P. Bulmer Holdings P.L.C.

**Burroughs Wellcome Co.** 

CAMAS plc

Capital & Counties plc

**Caradon Limited** 

Cookson Group plc

Dawson International PLC

**Electra Candover Direct Investment Plan** 

Electra Investment Trust plc

**Electra Private Equity Partners** 

Equity Linked Investors L.P.

EMAP plc

**Erskine House Group PLC** 

FKI plc

Gestetner Holdings PLC

Goal Petroleum plc

Hagemeyer N.V.

Hebdo Mag International

**Hunting PLC** 

Laporte plc

Lonrho plc

Lucas Industries plc

**Macmillan Limited** 

Pilkington plc

The Rank Organisation Plc

RANSOMES plc

Senior Engineering Group plc

Spirax-Sarco Engineering plc

Tate & Lyle PLC

Trafalgar House **Public Limited Company** 

Triplex Lloyd plc

Vinten Group plc

Wembley plc

Williams Holdings PLC WPP Group plc

### Schroder Wertheim & Co. Incorporated

Stephen L. Schechter Managing Director

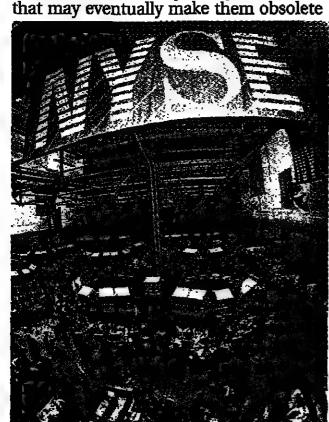
New York (1) 212-492-6000

London (44) 171 382-6000

■ American depositary receipts: by Maggie Uny

### Success could bring extinction

Demand for foreign shares has boosted ADRs while hastening listings reforms that may eventually make them obsolete



Last resource: do ADRs show domestic investors are scarce? Gyn G

In 1993 shares in Glaxo - a UK company - were the most actively traded equities on the New York Stock Exchange. Some 2750n American depositary receipts (ADRs) in Glaxo changed hands and by the end of the year over 350,000 US investors had a stake in the British pharmaceuticals business. Following the merger between Glaxo and Wellcome over 10 per cent of the combined company's shares are held in the US.

held in the US.

Depositary receipts have come a long way since they were invented in the 1920s. American depositary receipts have been joined by global, European and other varieties, but they all have the same function of allowing American investors to buy and sell foreign shares.

Trading in ADRs on the New York Stock Exchange, American Stock Exchange and the Nasdaq over-the-counter market has grown rapidly in recent years. In 1985 the value of ADRs traded in the US was \$24bn. Last year it reached \$278bn, a more than tenfold increase in 10 years.

The amount of capital raised was on an upward trend too, until it fell in 1995 after a record year in 1994. According to Citicorp. non-US companies raised \$11.5bn in 1995, com-

Trading in ADRs
Shares traded (billion) \$ billion

Trading volume of search ADR programs

8 250

150

150

pared with \$20bn in 1994. The drop reflected a sudden halt in issuance by Latin American companies following the Mexican currency crisis at the end of 1994. Activity picked up sharply in the second half of 1995 and many predict that 1996 will be another strong

Depositary receipts are tradeable securities which represent underlying equities. They are created when the shares of a company are bought on its home stock market and deposited with a custodian. The investor is then issued with a receipt for the shares on deposit - hence the name. That receipt can be traded, or cancelled if the

underlying shares are sold and delivered from the custodian. The advantage to US investors of ADRs is that they are just like American shares. Dividends are paid and prices quoted in dollars, and deals are struck on American exchanges and settled according to US

Investors should not be misled into believing that buying ADRs allows them to avoid currency market risks. The price of the ADR reflects the domestic currency price of the underlying shares translated

Arbitrage between ADRs and cated investors. Largordinary shares ensures that the two prices do not diverge.
Originally ADRs would be cated investors. Largordinary shares ensures that more international in have the manpower and how to invest directly.

set up without the backing of the company concerned. These days almost all ADRs are sponsored by the issuer of the underlying shares.

underlying shares.

Mr Kenneth Lopian, senior vice president at the Bank of New York, says the custodian bank can provide important services to the company – such as maintaining a register of US shareholders and handling dividend payments.

Many advisers suggest that companies establish an ADR facility before they consider raising US cash by seiling ADRs backed by new shares. But in some instances, such as the privatisation of a company which has not been publicly owned before through a global offering, an ADR facility has to be set up as part of an issue.

ADRs have proved popular with many US investors, giving them a chance to buy shares in companies from around the world, including those from emerging markets (see stories on this page for details of three of these), without the problems of dealing with local currencies and settlement systems.

Some investors are restricted from buying shares that are not listed on a US exchange, which means that ADRs are the main route for them to diversify internationally.

Many analysts believe that ADRs are only for less sophisticated investors. Larger and more international investors have the many directly Mr Nick Bratt, director of global equity research at Scudder, a large institutional money manager, says his firm prefers to buy foreign shares in local stock markets. He points out that it is often only the largest companies that have at threat first f

prefers to buy foreign shares in local stock markets. He points out that it is often, only the largest companies that have an ADR facility. He says that investment managers should search out value for investors by looking beyond them. Only around three-quarters of the top 100 UK companies, for instance, have ADR pro-

grammes.

Mr Bratt half-jokingly suggests that once a company

sponsors an ADR programme it is time to sell its shares – it must mean that the company has run out of new investors in its home country.

Fessimists like Mr Bratt aside, the ADR market faces a threat from the New York Stock Exchange's plan to trade foreign shares in their ordinary form, quoting prices in local currencies rather than dollars. That could be an early step on the road to a global stradeable all round the world regardless of their origin. But that is still a distant dream.

**Latin American ADRs:** by Lisa Bransten

### Flow loses pace

The gusher of equity capital that flowed into Latin America in the early 1990s was abruptly-capped last year after Mexico devalued its currency, sending fear through the ranks of emerging market investors.

In 1993 and 1994 a total of 76

In 1998 and 1994 a total of 76 companies raised more than \$10bn through American depositary receipt (ADR) programmes, while last year just eight sold equity on the US markets, raising around \$559m, according to figures from the Bank of New York.

Investors remember 1983 as a strong year for Latin American equities, when they fought to buy up the limited number of ADRs that had already been issued and put more money into new offerings. That year total returns on the ING Barings index of Latin American equities were up nearly 52 per cent. In contrast it made a loss of 6 per cent in 1994 after Mexico's devaluation of the peso in late December.

This year many analysts are looking for Latin American ADRs to resume an upward trajectory, but they concede that companies trying to raise new capital in the US may find the going tough.

Ms Marla Marron, a Latin American equity analyst at Salomon Brothers, thinks that there may be some demand for ADRs late this year, but that the first place most investors will look to put money will be in existing issues.

"There is a difference between buying something that had value in the past that is well off its highs and buying an unknown," she says.

One ADR deal that is expected sometime in the second quarter of this year is Telefonica de Peru, the Peruvian phone monopoly, which will undergo the final stage of privatisation when the government sells the 28.5 per cant of the business it still holds.

Based on the price of shares traded on the Lima stock exchange, that bit of the company could be worth as much as \$1.6bm, making it one of the biggest Latin American deals ever completed.

■ Israeli ADRs: by Mark Dennis

### High-tech trade

Most people would be hard-pressed to name the country that is second only to Canada as a home to foreign companies listed on American stock exchanges.

The country is not in the Far East or Europe as one might expect, but in the Middle East. Some 60 of Israel's companies are quoted in the US, most of them on Nasdaq. Their total market capitalisation is around \$12bn, as compared to \$35bn for the entire Tel Aviv Stock Exchange (TASE).

Stock Exchange (TASE).

Analysis say the large number of Israeli companies listed in the US reflects both foreign enthusiasm for Israeli companies, as well as weaknesses in the TASE that drive many businesses to raise capital in the US. "The TASE is in a crisis in terms of volume. It is not functioning as a tool for raising capital," says Mr Gad Hacker of Batucha Securities, "It is much easier to get

money in America."
Foreign interest in Israel has increased markedly due to a prolonged economic boom and the unfolding peace process. An offering in the US is one way Israeli companies can capitalise on this enthusiasm. Most companies who seek US cash are exporters who believe that an American listing will help them attract international clients.

High-tech businesses dominate the listings, at almost 90 per cent, and incinde a mixture of heavyweights, such as Tower Semi-Conductor and ECI Telecom, as well as smaller capitalisation companies. The concerns were able to launch successful offerings from the mid-1980s, when Israel's reputation for technological excellence became strong enough to overcome investors' fears about political

St. Felic

CHEST ET !

and economic risk. Other types of companies are now starting to bring offerings. Israel's largest industrial conglomerata, Koos Industries, recently completed a \$120m global public offering, primarily focused on the US Several his privatications and scheduled to take place this year. These include blue-chips like Bezeq, the telephone monopoly, and Zim Israel Shipping. Some American securities firms have set up offices in Israel in anticipation of increased business.

High-tech companies are still expected to dominate the numerous new offerings expected this year. Nice Systems, a digital communications company, and Zoran, an electronics firm, are currently making initial public offerings in the US. Moreover dozens of American venture capital funds are investing in promising high-tech start-ups, many of which are expected to go public in the US within the next few

Russian ADRs: by John Thomhill

### Lukoil pioneers

The prospect of a Russian company issuing shares on the US capital markets would have seemed as unimaginable a decade ago as a US company delivering pizzas to Muscovites' front doors. But both events happened recently.

Lukoil, whose market share of more than 15 per cent of the country's crude output makes it Russia's biggest privatised oil company, launched an American depositary receipt (ADR) programme last month, attracting strong interest from

US and European investors.

The Bank of New York, acting as the depositary bank, has bundled packages of four Lukoil shares into one ADR. It is hopeful that foreign investors could buy up to 30 percent of the company's shares. At Lukoil's current market value that implies almost \$1bn of Russian proxy shares could become tradeable offshore.

Lukoil's ADR programme has been classified as an unrestricted level-one issue after receiving US Securities and Exchange Commission clearance late last year. The SEC satisfied itself that sufficient safeguards concerning corporate governance and custody were in place to protect potential investors.

That approval allows even true an "Mom and Pop" investment institutions to buy the ADRs without too great a fear of today a investors launching legal pro-

ceedings against them should they be defrauded. A string of Russian compa-

nies is set to follow Lukoil's example. Other big oil firms, such as Yukos, two of the country's most powerful banks, Inkombank and Menatep, the national grid, Unified Energy Systems, and the GUM store are all said to be contemplating ADR programmes.

As yet Russia has barely reg-

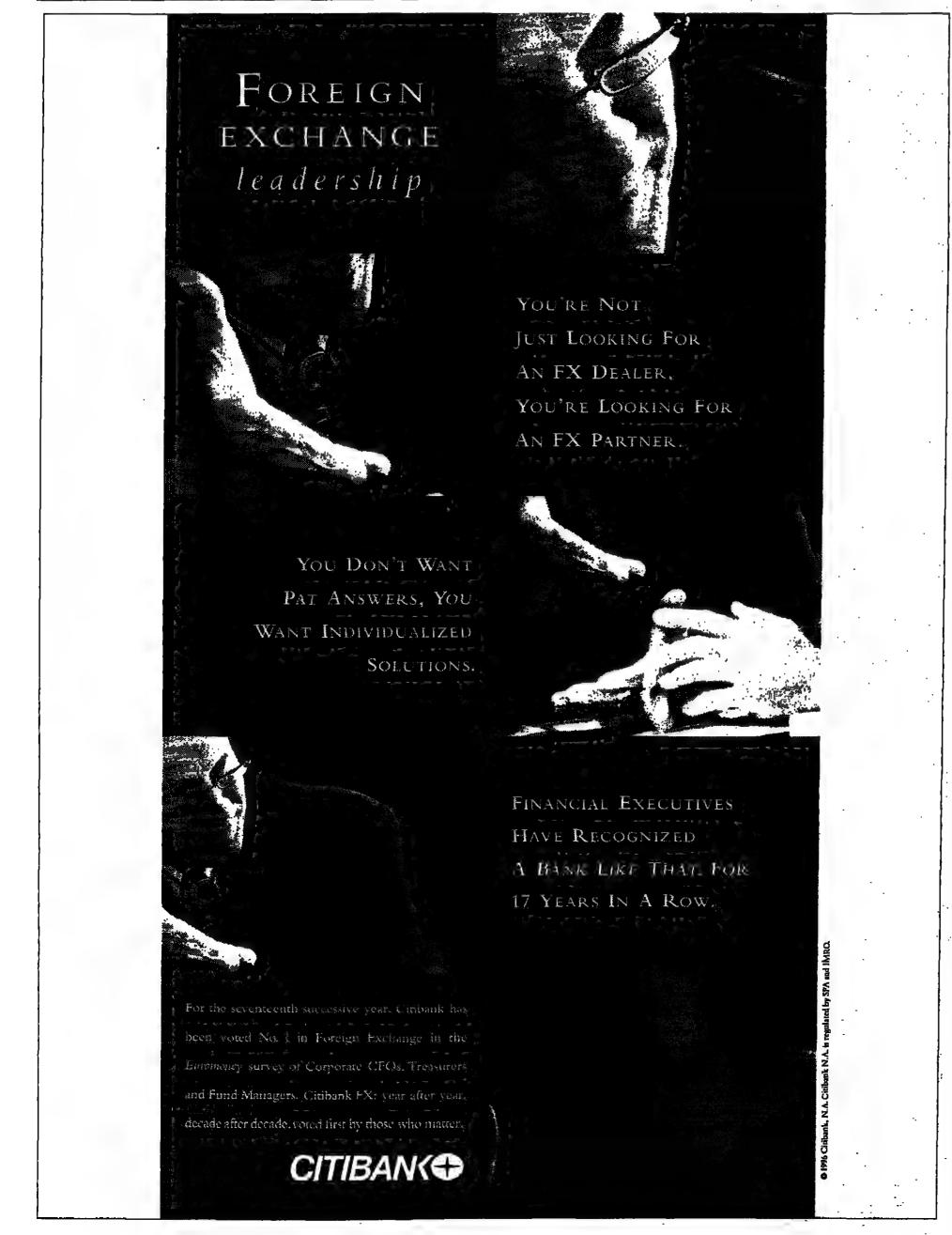
istered on the investment horizons of Wall Street fund managers. Foreign portfolio investment in Russia is estimated to account for only 0.5 per cent even of funds dedicated to emerging markets.

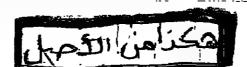
But as one enthusiastic US

But as one enthusiastic US fund manager based in Moscow says: "Russia has started from a lower base than other emerging markets and has the potential to grow the most."

Estimating the likely speed and scale of change in Russia is still a phenomenal challenge. A recent circular from CS First Boston wisely quoted the British economist John Maynard Keynes: "The economic system of Russia has undergone such rapid changes that it is impossible to obtain a precise and accurate account of it... Almost everything one can say about the country is true and false at the same time."

This comment is as valid today as when it was written in 1925.





Price rise

forecast for

animal feed

The price of magnesite, a

mineral ingredient in farm ani-

mal feed, is likely to rise

because plant closures are

severely reducing world out-

put, according to ICI, the

The planned closure of a big

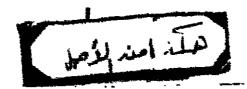
plant in Kosice, Slovakia, fol-

lows the liquidation last year

additive

By Alison Maitland

chemicals group.



'Hidden' metal stocks may delay bull market

#### COMMODITIES AND AGRICULTURE

### Farmers' leader attacks EU cereal export taxes

By Alison Maitland

37 1 1996

ton samen ton samen ton samen

Mr. Bratines at 1 mars at

For then

Lood

Honel Harry Jorle Harry But

P a Laigh

- 500 / 10 et

PARTO (OF

7-2- hat 1-2-70-

Although

the expension

the state than

 $(G_{\rm ac}) = (\mathcal{L}^{\rm ac}) \log (105)$ 

A PARTY OF A PARTY.

 $\text{-fit} \sim r_{\text{file}(q)}$ 

1000 1972/192

on the same

 $\partial^{2} d = \partial^{2} + 2 \partial_{z} \frac{\partial}{\partial z} .$ 

AND REPORT HEAD BY

 $f(\tau') = f(\tau) = f(\tau) = 22\xi$ 

Service of Compa 200 of the Arms 200

 $(4) \forall (x,y) \in \mathbb{R}_{+} \times \mathbb{C}_{+}^{\infty}(\mathbb{R}_{+}^{\infty})$ Mark Let & What

East in the technology

refrenzis i nevage

Maria Contractor

AND SHOULD BE SEEN

res in the patter

adent multiprade

Interior Copesi

1812 1 Page 500

Jaj . um i. Gemaa

COSTA OF US DESCRIPTION AND

G 12 1 - 172 - 198 inches desput

. et 15 -25000

and r feisel

Same (Tribal

47 (37) + 10 (37) 10 (37)

編成 1000 (1000)

gramme - 1977 - 2<sup>-2</sup>  $d (\operatorname{to} (\operatorname{d} (\operatorname{Matter} G)$ 

 $2W(\mathbb{R}^{n^{1+\alpha}, \frac{\alpha+1}{2}+\frac{\alpha+\alpha+\alpha}{2}})$ 

 $r_{\rm c} (N_{\rm BO}) \propto \log^{\frac{1}{2} 3}$ 

 $\log a p = a t = \log 10\%$ 

1 受課款 一年,福建基

क वंदर 🕝 स्वाहरू

7 Pr. 1 -1 - 247

 $d(t_0) = \mathbb{R}^{2\pi\log 2}$ 

 $h(m)/(n-\tau) \ll t^{2}$ 

**leers** 

. 4

3.3

• • •

J. J.

 $\mathbb{Q}^{n-1}(x)$ 

3.5

1.11

<u> 12</u>1 - 1

Service .

27724

terra-

1800

8 50 10

65.5

he II -

H Stre

age 41 miles

poor!

VER CONTROL OF STREET

The Control of the Co

AD THE SECOND

The second of th

and the second of the second o

A COLLEGE

phe is the last

Section of the sectio

te.s of the same o

Prosecute to about the discount of the control of t

131 S. L. 7.5

 $|\mathcal{C}_{M}\mathfrak{D}_{n}^{*}|_{L^{2}(\mathbb{R}^{2n})} = \mathbb{R}^{n \times 2n \times 2n}$ 

50-008

1960 16 053

10 mg

 $\pi^{2,2}(k) \leq \pi_{2}(p_{k})$ 

 $\{f_{i,j},\dots,g_{i-1}\}$ 

 $\beta^{i_{\pm}}_{\xi \neq \xi, \xi \neq 0}$ 

European Union export taxes on wheat and barley came under attack yesterday from Sir David Naish, president of Copa, the European farmers'

Str David, who also heads the National Farmers' Union of England and Wales, said the European Commission should have opted for a licensing system to regulate the flow of EU cereals on to the world market instead of a full-blown tax.

The commission imposed the taxes in the past two months to protect EU consumers and livestock farmers after a doubling in world barley prices and a 70 per cent rise in world wheat prices threatened to draw supplies out of the EU and inflate already high inter-

"I don't believe there was a

all," said Sir David. "The situation could have been controlled by the issuing of licences to ensure there were sufficient cereals for our [livestock] producers." He said the tax could itself raise EU prices by restricting world supply and pushing up world prices.

"There was an opportunity for the commission and member state governments to say to farmers: this is what is happening in the world. Free trade means there won't be a tax in and out, but we're going to regulate it to make sure we maintain a balanced agriculture for the sake of our consumers.'

The tax, which reversed two decades of export subsidies. has also been criticised by the US government and by some EU grain farmers.

Sir David said the tax was "much the easiest way of doing it" because it required little need to put an export tax on at management. But licences

"If you let the [commission's] cereals management committee have a weekly or monthly balance sheet. . . the granting of export licences could have been on a pro rata basis to those who were bidding for them.'

Sir David represents both arable and livestock farmers. whose interests diverge on this issue. While arable farmers would benefit from selling to world markets, livestock producers are facing increases in their cereal feed prices of about 10 per cent in the year to

He acknowledged the position would have been more difficult if pig producers - among the main users of cereal-based feed - bad not enjoyed better prices last year, which helped offset higher costs. But poultry producers "were having a very serious time".

#### MARKET REPORT

### Coffee futures jump another 6%

London Commodity Exchange robusta COFFEE futures jumped 6 per cent yesterday in response to an explosion of trade buying on the New York market. The March delivery

Option declarations also sparked off heavy short-covering at New York's Cocoa. Sugar and Coffee Exchange, where the the March arabicas futures position hit stop-losses and March soared more than \$10 to \$130.00 before easing

Traders said the market was caught up in the midst of profit-taking when New York marshalled its strength again and pierced through tough resis-

Fears of nearby supply tightness were exacerbated by reports that a new cold front expected to move to Mexico early next week could pose risks to the country's crop for

the 1996 harvest. LCE COCOA futures ended easier but off their lows and well above nearby support levels on industry buying, traders

The March contract finished

24 down at £907 a tonne.
At the London Metal
Exchange LEAD and NICKEL moved up strongly on speculative buying and short-covering. Lead confirmed recent market concern over physical supplies and streaked to \$751, for three months delivery, its highest level since October 1990, while nickel raced to its November 1995 high of \$8,560. Traders said lead looked set

tight physical supplies.

from a lack of material at the moment" one trader said. LME stocks stand at 110,675 tonnes, the lowest since Octo-

Nickel rose to test key technical resistance levels, raising the possibility of further chartbased gains, traders said. But the latest rally did not reflect generally weak fundamental influences.

above the trendline, "it has room to continue up to \$8,725/ 50," said Mr William Adams of Rudolf Walff.

at around \$9,000, based on the early November high, he to head higher over coming

Gold's price should settle between US\$600 and \$700 a troy ounce, according to Mr Gary Maude, the executive director responsible for the international gold operations of Gen-

Tobacco production in most of

southern Africa is expected to

rise this year following a good

rainy season, according to the

International Tobacco Grow-

The region's overall output

By Kenneth Gooding,

Mining Correspondent

Producers of aluminium, lead,

nickel, tin and zinc are likely

to be working at full stretch by

the end of this year and will

enjoy buil market conditions in

1997, according to Mr Neil Bux-

ton, research manager for

However, at a presentation

to the Association of Mining

Analysts in London, he warned

that in the short term alumin-

ium, nickel, and zinc prices

might be held down by "hid-

being transferred to those in

London Metal Exchange regis-

tered warehouses.

By Aligon Meltland

or unreported stocks

Metal Bulletin Research.

cor of South Africa, the fourth largest producer. Last night in London the gold price closed \$405.50 an ounce. Mr Maude explained after a

meeting in London that in 1988

This could lead to stock

reductions in the first quarter

of this year being less than

widely expected or to stock

increases greater than most

analysts expected, "This possi-

bility, together with sluggish

demand conditions, makes us

slightly bearish towards the

base metals sector for the next

"By their historical relation-

ship, prices are still high com-

pared to stocks. So we expect

there to be periods when prices

do not react to falling invento-

ries, which is the reverse of

what happened in 1994 and

early 1995. We expect this to

particularly be a feature of the

first half of 1996." he added.

few months.

the gold price in real terms was twice its present level and

is forecast to rise by 31m kg to

387m kg in the 1995-96 season,

a marked recovery from the

previous drought-hit season.

"They're all smiling at pres-

ent." said Mr Tom Watson.

who represents the growers'

Planting in Zimbabwe is up

Bigger southern African tobacco crops likely by 8.4 per cent to \$1,000 hect-

ares and growers are predict-

ing a crop of 200m-210m kg,

Mr Buxton suggested that

the prices of many semi-fabri-

cated metal products, such as

copper tubing and aluminium

can sheet, would fall, cause de-

stocking and adversely affect

metal market sentiment. Senti-

ment would also be influenced

by an expected weakness in

the copper price and, possibly,

by investment funds selling

But the next big upward

move in metals prices would be

in response to genuine physi-

cal tightness. "Last year's prices do not represent the

peak of this cycle," he insisted.

Mr Buxton made the follow-

ing forecasts: aluminium's

that was the last time South

African companies could con-

sider starting big new mines.

The market needed such mines

as supply was running about

1,000 tonnes a year behind demand, a gap filled only by

hank selling and lending.

price would average 79 cents a levels.

well up on last year's 178m. The Tanzanian tobacco board is forecasting a rise in planting from 35.170 hectares to 37,290 hectares, with output increasing by 1m kg to 28.8m.

ciation expects production to increase from 3.6m kg to 5m. Malawi's output is expected to remain the same as last year's 120m kg. Only South Africa is expecting a fall in production, from 25m kg to

would fade as prices rose because in countries such as China, Taiwan, and Korea, with a traditional love of gold, many people for the first time had some disposable income to

spend on the precious metal.

In Zambia, the tobacco asso-

pound in 1996, 3.7 per cent

below last year's average but

13.7 per cent above the present

price: copper's price would

average \$1.80 a pound, 18.8 per

cent below 1995 and 4.8 per

cent below the present price;

lead would average 36 cents a

pound, 24 per cent up on 1995

and 10.8 per cent above the

present level; nickel would

average \$4 a pound, 7 per cent

up on 1995 and 10.5 per cent above present levels; tin would average \$3.10 a pound, 9.9 per

cent up on 1995 and 10.7 per

cent above present levels; and

zinc would average 49 cents a

pound, 4.2 per cent up on 1995

and 6.5 per cent above present

of China's huge Liaoning Magnesite Corporation, which supplied about a quarter of the Gold price seen rising past \$600 an ounce estimated 800,000-tonnes-a-year world market. Mr David Hopkins of ICI Nutrition, the agricultural distribution arm of ICI, said:

European stock levels are already low and supplies will tighten considerably as we enter the traditional period of heavy demand in the spring".

Magnesite, or magnesium oxide, is used in small quantities in cow and sheep feed to help prevent staggers - a problem associated with magnesium shortage.
Prices are currently about

£110 a tonne in the UK, which uses 70,000 tonnes a year for animal feed. "They leapt by as much as 20 per cent following the Chinese closure and it seems certain that they have not peaked yet," said Mr Hop-

price closed at a 2%-month high of \$2,200 a tonne, up \$129.

Traders said the move was broadly technical, although fundamental tightness also offered background support. "With coffee, once it gets rolling it's difficult to stop it."

slightly.

"All regions are suffering

Lead prices were likely to test \$800 fairly soon, analysts suggested, and a breach there could see \$900 tested in the longer term.

If the price could break

The next upside target was

Compiled from Reuters weeks, against a backdrop of

#### 'Petroleum coke shortage could hit aluminium output' according to the report's By Kenneth Gooding author, Mr Stewart Spector. He World aluminium production

is likely to be restricted by shortages of calcined petroleum coke, a material essential in the modern aluminium smelting process, the latest Spector Report, an industry newsletter, suggests. The price of this coke has more than douhled since January last year, from US\$110 a tonne to

between \$340 and \$250. Russian smelters would suffer most from any shortages,

SOFTS

III COCOA LCE (Croren

points out that the Common-wealth of Independent States imported about 450,00 tonnes of petroleum coke last year, enough to produce 900,000

tonnes of aluminium. Coke exports to the CIS could be cut by half this year and fall to almost nothing in 1997-98, he savs.

Russian smelters are also unlikely this year to obtain from the west sufficient alumina (aluminium oxide),

another essential raw material whose price has been rising. "These difficulties could cause Russian smelters to cut

production," says Mr Spector. "Looming coke problems could also affect western smelters. We have already received reports that several of the world's smelters are unable to obtain all the coke they need

to maintain production. Two years ago some big aluminium producers shut down capacity after an international trade agreement suggested this was necessary to bring the market - severely dislocated by a collapse in demand in the CIS and a consequent surge in exports from that region back into balance.

Mr Spector says that, if all the western smelters re-start production "something has to give around the middle of 1996". Coke stocks could be gone by the end of this year and no new coke production capacity is scheduled to come on stream until the end of next

JOTTER PAD

coke, used to make calcined petroleum coke is no longer in ample supply because it is more profitable for refineries to make liquids (gas, gasoline, distillates and gas oil) than coke, warns Mr Spector. Conoco, the DuPont subsid-

Not only is there a shortage

of coke capacity but green

iary, is to spend £30m at its Humber refinery in the UK over the next two years to increase output of calcined petroleum coke for the aluminium industry.

#### COMMODITIES PRICES

BASE METALS LONDON METAL EXCHANGE (Prices from Arreigameted Metal Tracing) M ALUMINIUM, 98.7 PÜRITY (5 per torne)

Cicer	1001-02	1090-91
Previous	1540-42	1570-72 1598/1588
High/low AM Official	1562-83	1550-91
Karb ologe	1005-04	1587-8
Open Int.	219.215	1997-0
Total delig turnover	57,292	
ALUMINIUM ALLO		a.
Close	1345-65	1380-00
Previous	1335-40	1372-75
High/low	****	1000 00
AM Official	1345-55	1385-90 1375-80
Kerbokse Open int.	4,734	1013-00
Total daily turnover	1.972	
-		
■ LEAD (\$ per tonne	7	
Ciose .	. 754.5-5.5	749,5-50.5
Previous	721-25	720-1
High/low		751/732
AM Official	74 <del>8-49</del>	740.5-41.5
Kerb close		746-7
Open int.	34,244 18,382	
Total daily turnover		
NICKEL IS per ton	ne)	
Close	8455-85	8555-65
Previous .	8185-95	\$295-30 <b>5</b>
High/low	8465	8570/8400
AM Official	8485-70	B555-60
Kerb close		8555-80
Open int.	40.910	
Total daily furnover	12,263	
TIN (\$ per tonne)		
Close	8220-30	6265-70
Previous	<b>6</b> 145-65	6190-200
High/low		6275/624S
AM Official	6210-15	6245-55
Kerb close		0280-70
Open int.	15,621 3,161	
Total daily surrover		
ZINC, special high	s Brace is be	
Close	1057-58	1073-74
Previous	1027-28	1045-48
High/low		1075/1059
AM Official	1048-49	1064-65
Kerb close	75,315	10/2-2
Open int.	75,310 30,637	
Total daily turnover		
III COPPER, grade A		
Cine	2564-66	2516-18
Mous	2550-53	2502-3
High/low	2570	2533/2508
AM Official	2570-71	2516-17
Kerb closs		2507-9

HIGH GRADE COPPER (COMEX) 115.75 -0.35 117.70 115.60 114.80 -0.65 116.80 114.70 770 2,647 \_0.85 116.80 114.70 9,002 26.376 112.10 -0.70 113.80 112.10 1,699 110.85 -0.70 172.70 112.70 23 -070 11270 11270 109.85 -0.55 111.40 109.85 PRECIOUS METALS

Spot: 1 5109 3 majos: 1.5079 6 mathet. 1.5053 9 mathes: 1.5020

175.512

Open int. Total daily turnover

M LME AM Official SA rate: 1.5063

LME Closing E/S rate: 1.5105

I LORDON BULLION MARKET (Prices supplied by N M Rothschild) Gold(Troy oz) \$ price 403.00-403.50 Day's High Day's Low 406.00-406.40

Loop Lide Mean Gold Lending Rates (Vs USS) 2 months . .....301 p/tray ez. 366.40 371.00 Silver Fix Spot 3 months 375.55 385.25 ) year Cold Coins

403.20 267.605 489.888 405.55 268.719 490.513 UNLEADED GASOLINE Previous close 405.00-405.40 US cts equiv. 552.00 557.60 563 45 575.05 £ equiv. 266-268 \$ price 402-405 Krugemand Maple Leaf New Sovereign 417.25-419.80 . 93-96

82-64

Precious Metals continued M GOLD COMEX (100 Troy oz.; S/troy oz.) Day'is .. Open change High low Yol liet Sett Day's 405.6 +7.8 406.5 407.1 36.350 8.311 408.5 +1.5 408.5 405.0 88,826.114,902 478.5 -1.5 478.9 488.9 7.855 33.507 412.0 -3.0 412.0 412.0 287 413.5 +1.5 414.5 \$14.0 10 10 4,116 415.0 +1.5 415.4 413.0 535 12,775

ME PLATINUM NYMEX (50 Troy oz.; S/troy oz.) 423,0 +9.4 423.9 427.0 1,205 18,445 424,7 +0.4 428.5 424.5 18 3,059 428,4 +0.4 427.5 427.5 52 1,163 428,0 +0.4 434.0 434.0 1 54 PALLADIUM NYMEX (100 Troy oz.; \$/roy oz.) 130,45 +1 05 130,50 129 00 329 4,805 131,85 +1.05 131,25 131,25 85 2,018 E SELVER COMEX (5,000 Troy oz.; Cents/troy oz.) +2.5 660.5 563.0 14,836 59,833 +2.8 565.0 560.0 914 15,388 +2.6 568.0 564.5 77 8,438 15,786 103,188

**ENERGY** E CRUDE OIL NYMEX (42,000 US galls, \$/barrel) +0 14 17.76 17.35 34.548 82.250 17.05 19.247 52.991 16.95 7.780 38,824 16.85 6.829 34,525 E CRUDE OIL IPE (\$/barrel) 16.26 15,861 61,556 15.94 9,087 37,426 15.81 1,370 18,730 15.88 15.75 1,085 17,715 18.74 15.63 740 8,486 - 5,090 25,000178,613 HEATING OIL NYMEX (42,000 LS galls; plus galls)

49.25 +0.28 49.50 MA.75 4,931 14,842 47.50 +0.33 47.50 47.00 2.129 9,350 46.65 +0.13 46.75 46.25 1,540 10.523 46.65 +0.08 46.75 46.25 1,329 6,352 157.00 +1.25 157.50 155.50 7.889 25,786 151.75 +0.25 152.50 150.50 5.483 18,863 147.75 -0.25 149.00 147.75 1,015 10,126 146.50 -146.50 146.00 62 4,852 145.50 -0.25 146.00 145.50 295 5.873 145.50 -0.25 146.00 145.50 547 4,885 15,003 78,676 NATURAL GAS NYMEX (10,000 mmRts.; S/mmBts.) 2,660 40 156 2700 2,456 24,645 28,784 2160 +0,056 2,204 2,095 5,566 17,486 2,056 2,056 1,056 2,056 1,056 2,0 2.095 5,586 17,486 1 980 3,267 15,534 1 900 1,099 10,764 1,945 +0.031 1.954 1.900 +0.016 1.900 1900 +0.016 1.900 1.875 984 8.868 1880 +0.006 1.880 1.885 934 8,448 40,134 139,419

NYMEX (42,000 US galls.; a/US galls.) <u>57.25</u> 8,700 22,933 55 10 54.30 4,100 14,585 54 90 54.15 2,676 7,851 54 30 53 75 1,235 4,785

GRAINS AND OIL SEEDS N WHILAT LCE (E per torne) Sett. Day's Open price change tilgh Low Vol int 124.30 +0.45 124.70 124.15 389 FINE 126.25 +0.25 126.60 126.15 256 3.645 126.20 +0.25 126.50 19.00 22 504 113.66 +0.00 113.00 113.00 18 113.65 +0.90 113.25 113.25 16 160 114.80 +0.90 114.80 114.25 〒 1,207 116.75 +1.00 - 116.25 10 26 118.75 +1.00 M WHEAT CET (5,000bu into; come/60to bushet)

619.50 ~6.75 527.50 513.00 28.496 44,192 488.50 ~4.25 482.00 484.00 7,198 12,857 MAT.00 ~5 485.90 445.00 14.442 35,178 448.00 ~5.5 485.00 444.50 EST 4,550 445.00 ~5 465.00 455.00 770 3,380 388.00 ~1.5 390.00 390.80 22 147 M MAZE CST (\$.000 bu mar: cents/566 bushe) 348.00 +1.25 369.60 365.26 50.066 185.611 373.00 +1.5 373.60 368.25 20.947 127.911 368.00 +1.75 368.75 364.00 13.608 90.680 314.00 +0.25 315.50 312.76 2,133 27,224 268.50 -0.25 300.50 297.50 8,773 36,585 303.50 -0.75 306.00 303.35 239 3,571 98,807.483,275 BARLEY LCE (E per tonne)

115.25 +0.15 - - 711 117.25 +0.50 116.75 116.75 \$ 381 199.00 +0.65 109.00 105.00 - 29 111.30 +0.60 111.30 111.20 20 149 115.50 +1.00 - 32 30 1,270 738.75 +2.25 743.00 733.50 32.503 80,077 738.75 +2.25 743.00 733.50 32.583 80.07
746.75 +2.75 751.50 741.50 8,956 33.657
750.50 +3 753.50 745.50 7.636 32.654
748.75 +4.76 748.50 744.50 186 1.103
723.00 +2.5 726.00 719.00 236 2.754
7708.25 +3.5 708.00 703.00 5,649 37.402 SOYABEAN OIL CET (60,000lbs; cents/lb) 24.39 +0.14 24.67 24.28 8.435 42.363 14.67 +0.1 24.98 24.82 2.60 19.538 25.05 +0.09 25.35 25.00 24.07 10.08 25.20 +0.09 25.50 25.17 116 4.013 25.34 +0.12 25.60 25.30 178 2.043 25.47 +0.12 25.70 25.35 SOYABEAN MEAL CET (100 tons: S/ton) 235.3 +0.7 236.7 233.3 8.772 41.829 238.0 +0.5 238.5 238.1 4.187 20.486 238.0 +0.5 239.5 238.1 4.187 20.486 238.0 +0.5 239.5 237.0 2.608 18.376 237.4 -0.1 238.0 238.2 270 3.116 233.3 +0.3 233.5 232.0 287 2.522 237.7 +0.7 258.8 233.0 45 1.311 16,238 92,007

MOTATOES LCE (Chonwill +2.5 181.0 178.0 68 179.0 200.0 325.0 105 0 FREIGHT (BIFFEX) LCE (\$10/index point) 48,760 10,685 - - 1520 +5 1410 1380 -8 1410 1395 -8 1410 1390 -13 1895 1275 -17 1340 1340 1418 2f 1,213 20 434 190 4,777 Close Prev 1503 1510 FUTURES DATA futures data supplied by CMS.

> Nuts and Seeds Prices from Kenidio Group; USS a tonne, iro-nian pistachios 28/30 raw (in sheit) naturally opened (round); 1995 crop 3,450 CFR/FOT MEP, 25/25 3,550 CFR/FOT MEP - rossted and salted 28/30 at 3,325 a.-Hamburg, vac-uum pack. US afmonds shelled) 18/20 NPS 1995 crop at 6,000 FAS, increased trade a lower prices. US walnuts LHP 20% - steady at Inser prices. US walnuts LHP 20% - steady at 6,160 FAS Cadlomia, should start talling soon. Indian cashes: 1985 crop, raw; W-320, 5,775 CFR MEP; W-240 5.850 CFR MEP; both falling on increased avalability. Turkish hazelmut kernela, 13/15 standard is. 1995 crop at 2,550 CFR MEP; exports still slow but activity greater the a week ago. Russian show white pumplun seets: 1995 crop, long, grade A, at 2,000 FCA MEP; round, 2,350 FOB MEP, Chrises grade A pine kernels, 1995 crop at 5,850, spot UK or 4,900 CFR from origin.

907 -4 910 904 822 22,939 929 -3 931 925 927 17,834 949 -4 932 947 382 9,855 968 -4 972 987 242 4,818 988 -3 960 986 247 12,434 1009 - 1010 1025 322 27,518 2,742 132,819 ■ COCOA CSCE (10 tonnes: \$/tonnes) -7 1289 1241 5,884 30,218 -6 1284 1267 2,867 25,714 -4 1306 1290 7,083 9,676 -7 1327 1311 1,009 9,300 -7 1352 1350 59 9,300 -8 1373 1373 388 7,070 1311 1,009 9,370 1350 59 9,307 1373 388 7,070 11,540 93,702 E COGOA (CCO) (SDR's/locine) Prim 917.93 Prev. day 822.32 III COPPER LCE (Store) 2200 +187 1990 2200 +128 2200 2033 +119 2030 1860 +132 1860 1813 +142 1910 1887 +97 1889 1990 32 83 2030 3,829 10,525 1860 2,295 11,706 1796 638 4,063 Jee Mar Mar Ma Mar Mar Sup Mor Tytel 638 4.063 850 2.055 211 606 7,666 35,730 COFFEE 'C' CSCE (37,500lbs; cents/lbs) 128 80 +8.05 131.50 129 00 8.531 14.080 125.80 +8.50 129.50 118.00 3,423 8.495 125.05 +7.55 128.50 117.75 841 3,230 123.60 +7.10 122.50 117.70 157 1.715 122.35 +6.85 121.50 116.73 82 1.083 123.16 +8.15 121.00 121.00 14 275 Niey Jul Sop Dec Mer Total 11,000 25,003 EL COPPEL (ICO) (US cents/pound) Price 10.90 -11.55 -0.10 11.55 -0.10 WHITE SUGAR LCE SADOWN 373.8 -2.8 376.5 373.0 1,103 9,531 387.0 -1.1 357.8 355.5 689 10,557 341.0 +19 340.5 339.5 290 5,477 314.3 +2.4 374.5 311.1 132 4,006 306.3 +1,9 104.4 302.4 - 2,455 303.5 +2.8 301.2 300.7 22 575 2237 32,856 E SUGAR '11' CSCE (112,000tbs; certs/fbs) 12.15 -0.21 12.28 12.0813,710 83.082 11.34 -0.10 11.38 11.24 8.940 34.295 10.45 - 10.47 10.37 2.390 21.487 10.16 - 10.17 10.08 1,573 22.136 9.61 +0.02 8.62 9.61 16 1,899 Hay Tabul TO COTTON NYCE (60,000 lbs. carts/lbs) 85,69 -1,39 88.75 85.35 5,797 21,500 86.20 -1 10 86 90 85.66 3,388 14,686

Heavy Fuel Oil Har Hey Jul Oct Des OTHER 79.50 -0.50 79.60 78.75 109 1.969 77.35 -0.35 77.50 77.00 422 12.298 78.10 -0.35 79.00 -- 1 983 10.911 50,482 ORANGE JUICE NYCE (15,0000) ORITE/DE 126.25 +7.05 128.50 120.05 1,443 14,310 124.70 +5.00 124.70 121.50 729 4,466 125.95 +5.00 125.95 121.50 31 1,373 135.30 +4.90 135.30 122.00 180 1282 122.50 +5.00 122.50 120.00 110 595 122.95 +5.00 122.95 118.50 168 1,306 2,661 23,650 Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in anears. Coconut Oil (Phil)§ INDICES Palm Oil (Malay.)§ Copra (Phil)§ Soyabeana (US) REUTES (Base 18/9/31=100)

Jan 31 Jan 30 month ago year ago 2175.5 2179.5 2081.4 2260.4 E CRB Futures (Base: 1987=100) Jan 30 Jan 29 month ago 245,45 244,66 241,32 ■ GSCI Spot (Base: 1970⇒100) 232.78

MEAT AND LIVESTOCK LIVE OATTLE CIME (40,000)Es; Contil/Inc. 64,025 +0.750 84,125 63,100 6,135 17,609 63,850 +0.475 64,200 63,150 7,430 28,909 61,425 +0.075 61,550 61,250 61,075 -0.150 61,400 60,925 846 6,656 370 3,062 Det Dec Total 17,825 79,029 46 625 -0.525 47 650 46.360 1.494 6.320 44 380 -0.550 45 750 43.600 2.260 12.701 50,000 -0.450 51.200 48.550 834 7.635 48 725 -0.575 49.850 48.400 183 2.475 Feb Apr Jun Jun Ang Det Total

R PORK BELLIES CME (40,000/bs; cents/fbs) Peb Mar May Jel Jel Ang Total 55.150 -2.000 57.375 55.150 84,900 -1.800 57.100 54.700 85.500 -1.800 57.250 55.000 LONDON TRADED OPTIONS

COPPER (Grade A) LME 157 95 52 66 13 35 73 129 COFFEE UCE M BRIENT CRUDE IPE MAY

LONDON SPOT MARKETS E CRUDE Off. FOB (per barrel/filler) \$15.55-5,57w \$16.62-6.64 Brant Bent (Mar) W.T.L \$17.64-7.66w +0.105 # OIL PRODUCTS NWE prompt delivery Cif frontel Premium Gasolin 5161-152

S169-171

(0171) 358 8793

\$512.5v

464

-0.40

Gold (per troy 02). Silver (per troy 02). Pratinum (per troy 02.) \$405.50 554.5c \$420.00 Polladium (per troy oz.) \$127.75 119.0c Copper Lead (US prod.) Tin (Kuala Lumpur) Tin (New York) 15.70mg 294.5c Cattle (live weight)† Sheep (live weight)† 132,500 Pigs (live weight)† 109.54p \$339.0 Lon. day sugar (raw) \$387.0 Barley (Eng. feed) Maize (US No3 Yellow) Wheat (US Dark North) 121.5u 150,52 Unq Rubber (Mar)♥ Rubber (Apr)# Rubber (KL RSS No1) 103.50p 382.5m

87.25 450p C per tonne unices atherwise stated, p pence/kg, c cents/fit r inggiffing. m Malaysian cens/fig. z Jan. a Feb. y w Mar. Feb/Mer. c Oct/Dec London Physical. S CIF Potterdam. & Bullion market close. A Sheep (Live weight prices).

Cotton Outlook'A' Index

Talk to Employs for a hottor deal 0800 99 77 55 / EASTERS CROSSWORD

help wh benefit, ease, improve, leasen, make easier. If we qualify for the 100kW market\* and your electricity bill is over £12,000 ps, we may enjoy significant savings by an itching to an Eastern contract." Full details available on request

No.8,982 Set by ADAMANT

1 About to give a beating, the rotter Jerry was toying with his victim (3,3,5)

7 A second square person with-9 The monarch leads royal objections regarding the mistake (5)

10 An embarrassed landlord is 14 When the regiment makes something special (3,6) 11 The more imposing Virginia, 16 Robots together with one in say, left one expressing hesi-12 Award for the president (5) 13 Treatment he gets in revolu- 19 Spinning stick on underworld

tionary party (7) 15 People follow love sign (4) 18 Employed American editor (4) 20 He has promised union to accept new supply of money 21 Swordbearer of the French

23 Maps produce by a retired seaman (5) 24 Love responds badly when promoted to the public (9) 26 Friend of Di cannot duck out unfortunately (9)

27 Landed in Eastern Europe it's best (5) 28 Regret the herb (3) 29 If speedo malfunctioned, sat

around for the security guard

1 Preserve wood - oh! so central, but not hot in Mediterra-2 Walks to popular sporting

viewpoints (8) 3 Name sure to upset sister (5) After a short while try, if out to humiliate (7)

ASPIDUSTRA NOTE ASPIDISTRA NOTE

POTTO EMBOLDEN

O R I A E

PERTNESS REFER

T A T C R

BANK WHITEBEARD

ATROPIN LONGAGO

E F F M H U

REFUSE CASTLE

5 Two articles from Europe

7 When carrier was off course

8 A girl's rise to higher levels?

17 Be in front of the others in

20 Imprisoned thug was given meal, but legally treated with

22 Dive in to use breathing appa-

ratus during exercise (6)

25 Brush off - she starts to cry

Solution 8,981

right absorbed Mandela's

bars (8)

the frame (8)

contempt (7)

party (6)

(5)

mistakes, they are killers (9)

example, is a popular classic

#### INTERNATIONAL CAPITAL MARKETS

### Treasuries volatile after Fed cuts rates

By Maggie Urry in New York and Martin Brice in London

US Treasury bonds jumped yesterday as the Federal Open Market Committee announced an interest rate cut at the end of its two day meeting. However, the enthusiasm for the cut was short-lived and bond prices were volatile in busy two-way trade.

The Fed reduced its target rate by a quarter of one percentage point to 5% per cent. and the discount rate by the same amount to 5 per cent. It cited moderating economic expansion and subdued inflation for its decision, which was

Shortly after the early afternoon announcement, the benchmark 30-year Treasury was in higher at 111 is to yield 6.011 per cent, while at the short end of the maturity spectrum the two-year note was up % at 100%, yielding 4.917 per

Bonds have been firm lately in anticipation of a cut, which came only six weeks after the previous reduction in December. It is the third easing of

early 1994.

The market had to contend with news that next week's Treasury auctions will be the biggest on record, raising \$44.5bn of which \$13.2bn will he new cash.

The sale will comprise \$18.5bn of three-year notes, \$14bn of 10-year notes and \$12bn of 30 year bonds. Before the auction can go ahead the Treasury must put in place measures to avoid breaching the \$4,900bn debt ceiling.

In Germany, meanwhile, bonds closed lower despite a 15 basis point cut in the German repo rate to 3.4 per cent. Traders attributed the fall to profittaking, said to be by hedge funds, and technical trading. Mr David Brown, chief Euro-

pean economist at Bear Steams International, said the markets had been "whip-sawed between interest rate expectations on both sides of the Atlantic. We are in a very strong round of European

Emu's fiscal austerity acting like a millstone, substantially lower rates ahead are the only

way out of the crisis." Investors were waiting for the outcome of the Bundesbank council meeting today. Mr Brown at Bear Stearns said: "With the Bundesbank acceler-

#### GOVERNMENT BONDS

ating its pace of repo easing, from 8, to 10, to 15 basis points off rates, we reckon the chances of a discount rate cut tomorrow have improved from 55:45 in favour to 65:35 in

favour. Mr Karl Haeling, head of futures and options at Deutsche Morgan Grenfell in Frankfurt, said the size of the cut had led to a reassessment by some investors of German

He said: "Rightly or wrongly, people are perceiving that the end of the interest rate fantasy interest rate disarmament is nearly on us. Some are say-now, which will extend for ing that interest rate cuts are

ment when they come."

The yield on benchmark twoyear paper increased 1 basis point and that on 10-year paper by 2 points, with the spread between the two maturities settling at 224 points.

On Liffe the March: 10-year bund future closed at 100.27, down 0.21. The yield spread of 10-year bunds over Treasuries moved from 17 to 22 basis

■ French government bonds were lifted by poor unemployment data and the March Notionnel future on Matif closed up 0.10 at 122.88.

Hopes of an imminent cut in the intervention rate buoyed the short end of the curve, and yields on two-year paper fell 6 basis points while yields on the 10-year area rose 2 points with the spread between the two maturities at 193.

Ms Phyllis Reed, European bond strategist at BZW, said more steepening could lead the French yield curve to steepen to German levels, where the two to 10-year spread is around

monetary policy by the Fed many months ahead. Europe is so widely anticipated that they 220 points. The spread over after the tightening begun in the doldrums and with can only provide disappoint bunds tightened 2 basis points to 47 points.

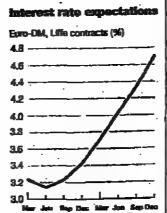
> ■ Italian bonds followed bunds, and the March bond future on Liffe closed up 0.45 at 112.40 but surged in late afternoon when a resolution of the political crisis was believed to be nearer. The spread over 10-year bunds narrowed 8 basis points to 433.

■ UK government bonds were ragged down by a disappointing gilt auction. Although the auction cover was 1.96 times and the tail was 2 basis points, the lowest accepted price was below the pre-auction market level at 105, where it yielded 6.76 per cent.

A trader said: "People don't necessarily want the stock but they are happy to take it on at these levels." Mr Andrew Roberts, analyst at UBS said the result was a disappointment because "the gilt market offers more value than any other European market just

On Liffe the March long gilt future closed at 110 to, down 1.

**NEW INTERNATIONAL BOND ISSUES** 



The 10-year yield spread over Germany moved from 169 to 173 basis points. On two-year paper yields rose 3 points and on 10-year paper by 5 points, with the spread between the maturities at 124 basis points.

■ The yield spread of 10-year Swedish government bonds over bunds narrowed by 6 basis points to 242 points on hopes of further repo rate cuts from the Riksbank. Ms Wike Groenenberg, an economist at Salomon Brothers, said 20 or 25 basis points could come off the

### Croatia borrows DM50m to help rebuild tourism

By Gavin Gray in Zagreb

Croatia has completed its debut issue in the international syndicated loan market in the first of a series of international borrowings to fund the rebuilding of its shattered economy. The DM50m credit will be used to reconstruct the tourism sector.

Another, similar, credit for the tourism industry is under negotiation with the European Bank for Reconstruction and Development.

#### SYNDICATED LOANS

The loan, lead-managed by Raiffeisen Zentralbank of Austria, will be extended to HBOR. a state-owned reconstruction bank, RZB assembled a 16-bank syndicate comprising mainly German and Austrian Landesbanks. The loan was 20 per cent oversubscribed and closed after 10 days of syndication.

The facility was signed on Tuesday in Dubrovnik, a city on Croatia's Dalmatian coast that was one of Europe's most popular holiday resorts in the 1970s and 1980s but heavily shelled in November 1991, during the war that followed Croatia's declaration of independence from Yugoslavia.

Dalmatia's tourism industry generated 20 per cent of former Yugoslavia's hard currency earnings and the Croatian authorities regard this sector as their best hope for economic revival. But they argently need loans to repair hotels that were damaged either during the fighting or because they have been used to house refugees

from the conflict. Until recently, Western banks have been reluctant to extend credit lines to Croatia but the country's political risk standing has improved follow-

ing the signing of the Dayton peace agreement and the Croatian army's assault last August on Krajina, a region of Croatia formerly occupied by rebel Serbs.

Even so, HBOR is paying a high margin of 275 basis points over the London interbank offered rate for a loan with a maturity of only 18 months.

Western bankers expect Croatia's access to the international debt markets to improve when it reaches an agreement with the London Club of commercial bankers on the share it will assume of former Yugoslavia's \$4.65bn bank debt.

A settlement is expected in March and Mr Bozo Prka, the Croatian finance minister, has said this will be followed by an application this year for an international credit rating and by a US\$350m eurobond issue the country's first issue in that market.

• Şişecam, the Turkish glass manufacturer, has obtained a \$50m three-year loan, making it the first Turkish corporate borrower to raise a mediumterm debt facility in more than a year, writes Conner Middelmann. The facility, arranged by J.P. Morgan, was increased from the launch amount of \$30m to accommodate over-

subscriptions. Banks participating in the syndication were Morgan Guaranty Trust, Crédit Lyonnais. Union Bank of Switzerland, Bank of Tokyo, Banque Française du Commerce Extérieur and Isbank GmbH. The interest margin on the deal was not disclosed.

Şişecam was founded in 1935 to produce hand-made glassware and has since become a successful exporter of flat glass, container glass and table-ware. It also dominates the domestic glass market, with an 85 per cent market

The State of the

Company of 3040 CT 2

### Two US banks tap FRN sector

#### By Conner Middelmann

Taking advantage of continued demand for floating-rate paper, several issuers again tapped that sector yesterday, including two US investment banks. Morgan Stanley Issued DM300m of three-year notes

paying a coupon of three-month Libor plus 18.75 basis points. Meanwhile, Merrill Lynch increased an outstanding issue with a coupon of Libor plus 20 basis points by 5150m

Five US investment banks have tapped the floating-rate market in the past three weeks raising close to \$1bn, and more are expected to surface.

The market is in great shape and there isn't a lot of

with double-digit spreads [over Liborl" said one dealer, The day's largest floatingrate note issue came for

National Australia Bank, which issued \$500m of one-year notes via BZW and Morgan Stanley.

#### INTERNATIONAL Bonds

The paper pays a coupon of Libor less 10 basis points and was being sold at around 7 hasis points below Libor. That compares favourably with NAB's commercial paper, which pays Libor less 11 basis points, said one dealer - who reported healthy buying by money-market fund managers, supply around - especially traditional holders of CP.

The deal also benefited from the rarity appeal of one-year

floating-rate paper. More variable-rate supply came in the form of \$300m of five-year notes for Argentaria Global Finance, increasing a \$400m deal launched in early January via Deutsche Morgan Grenfell.

DePfa's DM2bn seven-year global Pfandbrief issue held up well on its first day of trading, with the 18 basis point launch spread over bunds narrowing by 2 basis points after the bonds were freed to trade. Two more jumbo Pfandbriefe

albeit purely domestic ones also surfaced yesterday: DM1bn for Deutsche Hypothekenhank and DM1bn for Hypothekenbank Essen. Looking ahead, the Export-

Amount th.	Coupen %	Price	Maturity	Feet %	Spread bp	South-ranner
500	čeh	99.99	Feb 1997	0.08	-	BZW/Morgan Stanley Inti
300 50	(b1) (c1)	99.85 99.75R	Feb 2001 Feb 2000	0.15 0.25FI	:	Dautsche Morgan Granfall Mersil Lynch International
300 100	(d) 5.125	99.86R 99.815R	Feb 1999 Mar 2006	0.20R 0.325R	:	Morgan Stanley Bank DKB (Deutschland)
250 100	4.50 4.25	102.80 103.125	Mer 2006 May 2005	2.25 2.50	:	Credit Suisse Bank of Tokyo/SBC Warbur
100	6.625	100.325R	Dec 2061	0.25A	+13(7%%-01)	Kredietbark Infl Group
400	6.50	102.50	May 2002	1.875		Bank Brussels Lambert
	90. 300 50 300 700 250 700	80 (d) (50) (e) (50) (e) (e) (e) (e) (e) (e) (e) (e) (e) (e	500 (d) 99.39 500 (b) 99.35 50 (c) 99.35 50 (c) 99.35 300 (d) 89.88R 100 5.125 99.815R 250 4.50 102.80 100 4.25 100.325R	96 99.59 Feb 1997 500 (d) 99.55 Feb 2007 50 (c1) 99.55 Feb 2007 50 (c1) 99.55 Feb 2007 50 (c1) 99.88F Feb 2000 51.25 99.815R Mer 2006 250 4.50 103.125 Mer 2006 Mer 2005 100 6.825 100.325F Dec 2001	90 (d) 99.39 Feb 1997 8.00 (51) 99.55 Feb 2001 0.15 (51) 99.55 Feb 2001 0.15 (51) 99.55 Feb 2001 0.25R (51) 99.85F Feb 2000 0.25R (51) 99.815R Feb 2006 0.325R (51) 99.815R Mer 2006 0.325R (51) 4.50 103.125 Mer 2005 2.50 (51) 0.325R (51) 99.815R Mer 2005 2.50 (51) 99.815R (	90 (d) 99.59 Feb 1997 0.05 - 500 (b) 99.56 Feb 2001 0.15 - 50 (c1) 99.65 Feb 2001 0.15 - 50 (c1) 99.87 Feb 200 0.25R - 300 (d) 89.88R Feb 1999 0.20R - 100 5.125 99.815R Mer 2006 0.325R - 250 4.50 102.90 Mer 2006 2.25 - 100 4.25 103.125 Mer 2005 2.50 - 100 6.825 100.325R Dat 2001 0.25R +13(745%-01)

Import Bank of Korea is expected to issue \$500m of global bonds within the next two weeks via Lehman Brothers

and Salomon Brothers. Disney's long-rumoured to \$1.5bn offering, which is global bond is also taking seen coming to the market

shape after roadshows in Europe last week. CS First Boston and Merrill Lynch are thought to have won the mandate to lead the \$1bn

within the next four to six

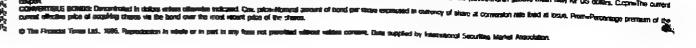
Disney is expected to barrow up to \$5bn this year to help fund its \$19bn acquisition of Capital Cities/ABC last

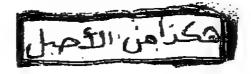
BENCHI	KARK	GOVE	RNM	ENT BO	MDS				M BUND	PUTURES	OPTIONS (L	JFFE) DM2	50,000 p	thats of 1009	6	
			Red		Day's		Week	Marsh	Strike		CAL	قا			PUTS -	
		Coupon	Date	Price	change	Yield	190	eg0	Pilos	Mar	Apr	-		Mer Ap		Jun
Augtralia		10,000	02/08	112,3800	-	8.17	8.13	8,48	10000	0.75				.47 1.13		1,54
Austria		5,500	11/05	102.1100	-0.050	5.20	6.13	6.50	10050	0.47		-		1.45		1.82
Beigium		0.800	03/05	100.9500	-	6.36	6.27	6.76	10100	0.27			-	LES 1.77		2.14
Ceneda *		5,750	12/05	112.3200	+0.510	6.99	7.07	7.40	Est. vol. 100	al, Calle 2021	61 Pula 1786	t. Previous :	משמבה וב, לישוב	INL, Calls 239	11(01 Puts 19	3686
Denmark		8.000	03/06	106.2600	-0.280	7.11	6.93	7.39								
France	BTAN	7.000	10/00	106,6250	+0.130	5.37	5.37	5.92	Halv							
	OAT	7.250	03/06	105.3000	-0.040	6.36	6.32	6.76	W MOTTO	MAI: ITALI	AN GOVT. E	OND IET	or minus			
Germany Bu	nd	8.000	01/06	100.7800	-0.080	5.89	5.79	6.12			100ths of		.) _01.50			
ireland		8.000	08/08	104.6500		7,34	7.25	7.56	Jurray	D4 5000						
italy		10.500	09/05	103.3300	+0.450	9.95†	9.97	10.96		Open	Sett price	Change	High	LOW	Est. vol	Open int.
Japan	No 129	6.400	03/00	117.5900	-0.080	1.61	1.77	1.42	Mar	112.26	112.53	+0.58	112.69	111.76	63048	64023
	No. 174	4.600	09/04	111.0690	-0.060	2.99	3.00	2.70	Jun	111,85	112.05	+0.58	111.85	111.36	322	2647
Netherlands		6.000	01/06	100.6200	-0.120	5,91	6.80	0.16								
Portugal		11.875	02/05	114.6500	+0.350	0.40	9.20	10.02	H ITALIA	i GOYT. B	OND (BTP)	PUTURES	OPTION	<u> (LIFFE)</u> Lra	(200m 100t)	hs of 100%
Spain		10 150	01/08	102.5300	-0.030	9.54	9.34	9.94	Strike		CAL	18			PLITS -	
Sweden		6.000	02/05	65.6350	+0.170	451	8.25	1.74	Price		Mau	7m	1	Mir	1010	Jun
UK Giks		8.000	12/00	104-26	-1/32	6.82	6.64	6.88				-				
		8.500	12/05	108-29	-14/32	7.49	7.30	7.53	11250		1.10	2.17		1.07		2.82
		9.000	10/08	110-26	-16/32	7,65	7.47	7.89	11200		0.86	1.04		1.33		2.89
US Treesury	•	5.876	11/05	102-03	+7/32	5.59	5.61	5.86	11360		1.65	1.73		1.62		3.18
		5.875	08/25	111-21	-5/TE	8.03	6.04	6.20	Est. vol. tob	d. Calls 1944	Pulls 2480. I	Previous de	's open in	L. Calla 62864	Puts 67391	
ECU (French		7.500	04/08	104.8100	+0.050	<b>06.6</b>	6.67	7.09								
London doning							ocal mari	al standard.	Spain							
f Gross Anolic				cent physble	by nominatio					ART SCREEN	BH BOND F	meet	ALEEES.			
Prices: US, UK	in James, c	Chers is des				SOUR	SE MAN		= NOTION							
			-							Open	Sett price	Change	High	Low	Est. vol.	Open in.
us inte	MESI	HATE	<u> </u>						Mar	96.67	96.71	-0.02	97.37	96.37	115.082	45,818
Latest				Treasure	y Bills and i	lood Vie	lde		Jun	-	96.50	-	-	-	-	3
-		0-	a month		,			4.98	NIK.							
Private make						7 YEST		100					000.000.0		-	
Broker litter retti	***************************************	7 G Th	ne marit.					5.29	- NOTIO	OL UK G	LI PUIUM	* ICHTEI	1,50,000 8	2nde of 100	79	
Fed.hinds					5.01 10	7		561		Open	Sett price	Change	High	Low	Est. vol	Open int.
Fed Junds at Into	_ الانتجاد	- Qt	y y		4.95 30	100		6.04	Mar	111-01	110-14	-0-14	111-10	110-00	87537	140275
											109-23	-0-14 -0-14				1311
									-ke	115-10			110-16	109-27	208	

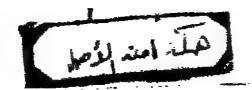
ECU (Free		5.87 7.50	io d	X8/25 14/06	111-21 104.8100	+0.05	50 e.	03 6.04 80 6.67	7.09				al. Cel	is 8340	Puls 2	480. Previou	as day	,e obeo	int. C	nin 6296	4 Puts 673	<b>91</b>	
f Gross An	eing, "New Yor Islading within UK in 30xds, I	د وافاد	m et 12	.5 per o	ent payabil	וחסת עם	napidenta	de: Local mi ) Source: ASA				2011 10110	NAL S	PAN	8H 9Q	ND FUTU	RIES (	MEFF)					
не пи	TE DOOR												0	pers	Sett p	rice Che	nge	Hig	h	Low	Est. vo		en is
	TEREST	HA	185							_	Mar		96	.67	96. 96.		.02	97.3	37	96.37	115.08	2 4	5,818 7
,adast			One n	dhon	Treasu	y Bilba a 5.29	nd Bond 140 ya			4.98	NIK.			_	BG.	30		_			_		•
rivos rada	rate	81 <sub>2</sub> 714	Two a			5.13 5.10	Three year			1.09 5.29	<b>B</b> N	ЮПО	NAL I	JK GI	LT PUT	URAS (LIF	<del> </del>	250,000	32nd	e of 10	)%		
ed.hads	Intervention.	67	Six m One y	ناد		5.01 4.95	10 year			561			0	pen	Sett p	rice Cha	nge	Hig	h _	Low	Est. vo	d Ob	en ir
M-4844 A	anti-Addings-		uw y			4.80				0.04	Mar			1-01	110-		14	111-1		110-00	87537		027
											Jun W	OMO		5-10 PLCTA	109- 108 O	23 -0- P <b>TIONS</b> (L	-14 IFFE	110-1 650 00		109-27 K. of 10	206	1	311
											Strik					CALLS -					PUTS		
											Pno	-	N		Apr	May	J	lun	Mar	A		nji	Jun
BOND	FUTUR	ES /	AND	OPT	TONS						116 111		1- 0-	_	1-12 0-51	1-35 1-08		54 25	1-14	1-3			1-08 2-43
											712		0-		0-32	0-51		02	1-57	2-5			3-20
France											But.	wal. 108	al, Cul	8 544Q	Puts 2	149. Previou	a dar	's open	ML, C	<b>ds</b> 3144	Pub 2711	и	
	e Wal frenc	W BO	ND EI	m lerê	MATIES		000				Eo												
HOIR	Open	Sett		Change			Low	Est. voi.	Open	_		_		-UTU	NEB NA	ATIP) ECU	100.0	100					
Mar	123.00	122		-0.02	P High		22.76	197.255	141.3						Sett :			Hid	h	Low	Est. vo	t. On	en Ini
Jun	123.52	123	.28	-0.02	123.0	18 I	25.22	2.544	15,0	26	Mar			.60	91		.06	91,4		91.42	1,706		.088
Sep	122.32	122		-0.02	122.4	-	22.14	177	2,25	2													
	TERM FRE	NCH E			SINATE																		
Price	Ma		CALL	×	Sec	Mari		PUTS —	Sep		US		-4-0	~~		TURES (C	on s	ison no	10 330	de est 10			
120	2.9	0	-			0.08		0.56				2 176					_		_	Low	Est. vo		en in
121 122	2.0 1.2		-		E.10	0.19		0.80	-		Mar			5001 3=21	120-		nge .	120-		120–13	255.49		8.58E
(25	0.6		1,80	ı	2.10	0.48		1.07	2.05	•	An		120	1-07	120			120-	13	119-31	3,274	32	2,701
24	0.2		1.25		-	1.46		2.00	-		<b>Sep</b>		115	-30	118-	-23 -	•	119-	27	119-05	510	8	038
ESC 404 ED	tal. Çelly 34,8	30 FLE	8 21,19	o . Previ	orm dela	open int.	, Calls 1	95.902 P46	b 105,021	D.		pan											
Mar Jun	Open 100.69 99.95	Sett p 100.	orice 28	Change -0.20 -0.21		B 10	LOW DO:10 9.42	Oths of 10 Est. vol 226556 2138	Open 2373 1065	77	Mer	JITE	O <sub>1</sub>	9.65 9.24	Clos		ngė	Hgl 119.7 118.2	7 1	Low 119.65 118.20	Est. vo 2961 568	Оре	on in
·UK C	ilLTS PI	RICÊ	s	‡/o∵							* LIF	PE Nutu	ret els	o trade	d on A	PT, All Oper	inter:	est ligs.	100 for	previous	city.		
774 21.			Md _			? week					MK _			59.	eek_			``	,			. 95	week
	Motae	int	Red	Price £ 4	or- He				Nells	iii i		Pacs E -	-1914	High	(Aur			Mates	h	(A) Pa	m£ +#-	- 14	i U
Lh "Shorts" (Lh 154pc 19	ros op to Five Y	14.91	6.10	102 Å	108	<b>4</b> 102,3		25x 2005	<b>+</b> -	$T_{ij}$	7.48	107		10633			d	(M) (E7.59)		2.68	216 +	<u>.</u> 21	6 ZI
Euch 134 pc	1996tt	12.99	€.11	102	105	3 100	71.0	200647		730 753	7.43 7.53	100 10143		10133	94資 924。	20x '95	‡I	ri <b>5</b> 6	1.21	2.6	4405	4075	5 JO
مهلاة Treas	Opc 1996 c 1997##	9.70 12.40	5.91 5.88 Edit	103-3 1067	104 109	8 1034		OO2-6##		7.80		10212		104	93%	2120C 01. 2120C 03. 4120C 040		(78.5)	125 3.84 3.86	1.34 3.43 3.42	1794 - 1752 - 1154 -	176	5 191 5 162
isch 104gpc Treas Con 7g		10.04	E-041	104층	105	3 104	Treas 1	1 kpc 2003-		8.49		1231		1254	11333	4 got 164 20: 106	\$6	(S.E)	3.86 3.18	3.42 3.46	115% 1844 1864	180) 176) 116)	10 16 15 15
іная Я-І <sub>с</sub> ро	199711	8.41	6,06	1043	+1, 101 +1, 104			P <sub>2</sub> pc 2007 ‡ nc 2004–8	<del></del>	7.95 9.88		106]] 136]]		195 <u>]</u> (	97弘	21 <sub>2</sub> pc 700.		.(74.8)	126	151	186% -	1674 1734 1624	15
94µpc 199	997	13.11 9.15	6 13 6.19	1143 <sub>2</sub> 1061 <sub>2</sub>	117 +±± 107	å 1144 3 1024	- Table	pc 2008 # .		8.12		11033		11253	1914	21 <sub>2</sub> 90 '11. 21 <sub>2</sub> 90 '13.		(88.2)	340	3.55 3.58 3.63	141 Z -	и	12
Trees 74.pc Trees 67.nc	19961; 1995-984;	7 11 6.74	6.26	102,5	+3 102	2 984	Tiese 8	pc 2009		7.80	760	107	4	1845	841	21 <sub>29</sub> 0 16. 21 <sub>29</sub> 0 26.		.61.5) .63.0)	351	35	1444 -	146	13
Trees 15½p	c '98##	12.72	6.43	1003 1213	100 124	3 947 4 1204										21200 '241 41400 '301	1	.(97.7) (135.1)	350 351		1284 7 1185: 7	146/	125 137 131 105 100
Exch 12pc 1 Inpas 91 <sub>2</sub> pc	1999±±	10.53 <b>2.50</b>	6.49 6.51	113(2)	→A 114 →A 108	i 109∯	•									D		-	ordina i		omerani.	and the later	of i
Treas Filto Ri	EDE 1999	-	-	100,3	100	997	·									10% and (	2) 5%	i. (b) Fig	in struct	n parent	heses aho will be an ha	e RPI t	Marce I Refered
1012 1012 P	: 1999 :: 1999	10.57 9.42	6.59 6.61	115% 11133	~å 118 ~å 172	H 111,7	Treas 6	1/4pc 2016.		7.21	7.77		-8	36,1	79.3	indexing (in reflect reb	esing	of RP	ID 10	() in Fe	bruary 196	17. Cor	10.0
Frees Spc 19	999 # 104pc 1999_	6 12		98). 171 <u>3).</u>	-1 96	90	Com B	pc Ln 2011 ‡	-	6.12		110#			10133	lector 3.94 190.7.	5. FF	f for Mi	ey 198	5: 14 <b>9.</b> 7	and for O	e in Si	/ 195
Conv Spc 20	100##	9.18 5.34	6.77	107%	寸 172 寸 109	2 1064 2 10021	Trees 9	oc 2012## _		8.09	7.78 11			1134	1923	130.1.							
	2 <b>0</b> 000			1234 1164	100 116 117 112 112 112 112 112 112 112	117	Trees 5	il <sub>e</sub> pc 2008–1 pc 2013‡‡ _		6.7G 7.85	7.52 7.79	명 및 101전		82% 103%	72年	Other	E	I		-			
1494 1344		12.90	4.54	116/9	117	1143	,	2012-1511		1,71	7.80	8812	_	10133	2	U LINE		est at	HIES I	324			
								2015		7.85		101 🕻		1043	93]]				-1	MI			100
								Hego 2017\$\$ 200 2013-17		8.64		109 <u>2</u> 136%			100년 127출			Poles.	1	_	Yiga£+0T-		
Five to Fifts Imas Anc 21	166 Years 1000‡‡	7 57	6.81	1047-	1			المستدالت ماري		4.01	1.50	·25	-33	A7133		Asian Dev 18 Ethers 11 ho			1.0 1.0	7.98 8.50	1182 -i 1261 <sub>2 -i</sub>	3 120 2 13	
10pc 2001		7.63 8.86	6.96	1047	-A 105 -쇼 11											Fream 11 20 Ireland Cap 8	1200 'I		484	-	1051:	100	
7pc 2001 :	#	7.00	6.96	100,	-å 101 -å 114	à 90j										9pc Cap 19 13pc '97-4	96		8.55 71.72	= :	194 1163	1044 1113	. 1
94pt 200 8pc 2003/	¥	8.60 7.66	7.22	113/6	=ሴ 114 ~ሴ 105	103) 3 945	Codate	ď								Markon Control	1502	2011_	15.00	8.94	118 <b>4</b> 1488 - 1342 -	1117 3 1542 2 1387	13 12
ALC: U.S.	c 2001–4	8.64 9.69	7.27	175日 118以	73 105 -4 117 -4 119 -7 83	105%	Cousole	4pc		B000	- 4	645±6		<b>50</b> (1)	45%	Leeds 13 <sup>1</sup> 200 Liverpool 3 <sup>1</sup> 2	pt Irea	ī _	10,61 8,70	-	484 -4	2 13872 2 41 2 32	1
unding 312	pc 1999-4	4.24	6.16	8212	T4 83	1 11041 1 704 <sub>2</sub>		20 31 <sub>2</sub> 90##_		7 87	-	44 <u>9</u>		File.	40.04	LCG 3pc '20 Manchester 1			8-70 9-37	841	345 -1 1224 -	2 32 1 1345	
	12pt 2004	8.41		11233	-Å 114	103.	CON 3	200 B7 AR.		5.67	-	613		624 <sub>4</sub>	34.0	Mark With Sec	R		4.83	7.65	740, _	, A	

FT-ACTUARUES Pice indices III illins	Wed Jen 31	Day's change %	Tue Jan 30	Accrued	ad adı. yiti				yleid — Yr. ago		m coupe Jan 30				
Up to 5 years (22) 2 5-15 years (21) 3 Over 15 years (8) 4 tradeemables (6)	123.98 150.83 166.67 191,73	-0.01 -0.23 -0.35 -0.92	123.97 157.40 167.24 192.33	2.77 2.67 2.67 2.48	0.12 0.22 1.03 0.00	5 yrs 15 yrs 20 yrs irred.†	5.89 7,71 7,81 7,90	6.85 7.67 7.78 7.87	8.53 8.43 8.40 8.46	5,92 7,74 7,84	0.09 7.70 7.90	5.54 8.56 8.66	7.00 7.82 7.89	6.96 7.79 7.86	8.72 8.76 8.67
Mil Modes (57)	145.54	-0.18	145.90	2.76	0.31				on 5% 30 Yr. I			- <b>inilatio</b> 31 Jan	30 Yr.	ago	
Up to 5 years (1) Over 5 years (11) All stocks (12)	198.94 188.98 188.05	+0.01 −0.21 ∺0.20	198.31 191.38 189.45	2.35 1.25 1.28	0.00 0.00 0.00	Up to 5 yrs Over 5 yrs				88 88				53 .89	
werage gross redempton y	nidi an ehon	vii albave. Caup	on <b>Bandi</b> s: Li	Per: 095-774%;	Medium: 81	k-1044K High;	11% and :	over. † Fili	el yeleks. yiki	Year to c	into.				

	4.07 114	1.12 1	14,27	114.5	7 114,	91 109,64 115,23 108,77	5-chay	iged bi geneve	•		97/8	4.5 07.4 3.4 93.5	94	2.3 1.5	84.1 96.4
for 1995/96. Government & 10/25 and Fluid Interest 1	Securitys I 624. SE a	high sen divity is	ndrown u	<del>della</del> deserci	127.46 ( 1974,	9/1/39), ibyr 49.18 (\$/1/75), Floed in	ment fagin	stree co	mpiletto	e: 139,	97 (21/1/94) , low 5	0.63 (S/1/76) . Baek	100: Gov	enmeni 9	iecurtier
FT/ISMA INTE	RNAT	ON	L B	OND	SEF	IVICE									in .
isled are the latest trierre	tional Igan	ds for w	riich the	***	adequi	in succeeding regular, furtant prices	at 7:05 pr	n on Je	шиу З	1					
	booms	elid	Offer	Chg.	Yeld	leave		Offer	Cbg.	Yield		legues	d BM	Offer C	Jing. Y
LS. DOLLAR STRAIGHTS	4000	an?	000		526	Sandon A 97 2	00 1071			3.74	Abbay Ned Trees.	ry 8 03 € 1006	101	10112	
libbay Nail Transury 5 97 Nibay Nail Transury 8 <sup>1</sup> 2 GS	1000	1024	987g 105		6.02	United Kingdom 7 <sup>1</sup> g 97 56 Volkswagen intil Pin 7 03 10	m 1042	angl.		3.65 6.16		97 E 100 3 E 150		108 <sup>1</sup> g	4 (
ے۔۔۔ 15 Anno Bank 74	1000	1077	1075		6.29 6.21	Word Bank 61 65	00 30 <sup>1</sup> 4	30% 101		6.11 573	Dermark 64 98 9		0 100 <sup>1</sup> ¢	100% 102%	4
Mass Der 8k 7½ 23 Bets Rowtes 7½ 98	1000	105%	109	44	539		w .w.	104	77	314	Haller 10% 97 E	100	1041	104%	- 4
elan Dev Bunk 6 <sup>1</sup> 4 05 usara 6 <sup>1</sup> 2 00	750	102%	1024; 1104a		5.98 5.53	SHISE FRANC STRAIGHTS	an sul.	3712	يأب	520	History 103 <sub>8</sub> 97 2	500 1,69 02 E 163	1054 1174	1057s	ا يد
heden Whers L-Fin 8½ 00	1000	100	1094	44	5.55	Asian Dev Blank 0 16 9 Asians 41 <sub>2</sub> 00 10	10 105 <sup>1</sup> 2	1054	H	3.03	italy 10 <sup>1</sup> 2 14 E		1144	114%	4 1
pet Ned Generali 7 99 Syer Verenski: 8 <sup>1</sup> 0 00		105	105Å		SAI	Council Europe 4 <sup>3</sup> 4 98	#0 1041≥ 20 1043⊾	105 105		2.47 2.88	Japan Day Bir 7 0 Land Sens 03- 07	900	1004	100 <sup>4</sup> s 1064a	4
kelgrum 5½ 00	1000	974	971	4	5.95	Osmark 41; 99 10 98 31; 99 10 88 61; 01 3 Finland 71; 99 3	XX 10372	104	+4	2.39	Ortano 111g D1 E	£ 200 £ 250 £ 250	1144	115%	_1 <sub>2</sub> 7
IFCE 74, 97 Mach Columbia 74, 02	150 - 500	1003	102% 110%		5.21 5.86	58 64 01	10 113 <sup>1</sup> 2 20 1131	114		4.81	Powergen 6% (3)	E 250	1054g	105 <sup>1</sup> 4 113	4
Mitch Gas (721	1500	14%	151	44	7.71	Stational The FET	T 111L	3144	+4	4.20	Talyo Bac Power	11 01 € 160	1154	115 <sup>5</sup> g	ز يك
Shause Kone file file 98	500	975	102		5,08 8,54	Orters Hydro 5 08	10 1054; 30 110	103 <sup>1</sup> 2		489	TCNZ Fin 94 02 I	NZS 75 97 NZS 350	108 <sup>1</sup> 4	109 <sup>1</sup> 4 106 <sup>1</sup> 6	
Nama 6 <sup>3</sup> 2 04	1000	9812	894	44	6.86	Quidec Hydro 5 08 1	100	tO1	+12	5.00	Credit Local 6 01	FPr 7000	10012	100%	44 1
Term 6 <sup>1</sup> 2 04 Decil: Foncier 9 <sup>1</sup> 2 98 Januari: 5 <sup>2</sup> 1, 98 ani: Japan Raiksay 6 <sup>6</sup> 1 04 _	1900	1114	111½ 101½		5,45 510	SNCF 7 D4 4 Sweden 44, D3 5	10 118 10 1026	1184	#1 #4	4.45	SNC Starter 84	22 FFr 3000	117½ 105‰	117% 106%	-ta 2
asi Japus Railway 6 n M _	600	1034	100	والو	A 10	World Berk 0.21	10 36%,	265	44	5.30				100-2	
B 8 04 B 9 4 97	1920	105%	100%		5.90 5.11	World Bank 7 01 6	0 113%	115%	114	3.86	PLOATING PLATE	NOTES	i Bio	d Offe	r C.
lec de France 9 98 a-les Bank Japan 8 02	300	1074	107%		5.79	YEN STRAIGHTS Belgium 5 89 790	m	and.	4		Abbey Nati Trasma	ry -1 99 1000			_
MOON DOV COVD 952 380	150	100	109 <sup>1</sup> 2	ولد	5.35	1280X HOROSY 4-3, UZ	אַרוווו עג	111%	ي <sub>و</sub> د	4.45	Bankamerica 4 99		99.7	99.8	8 5.6
ed Home Loen 7 <sup>1</sup> g 99 edeal Nati Mort 7,40 84	1500 1570	105 e 110	105% 170%	44	5.40 5.98	Exfm Stants Japan 4/2 03 1050		1184	4	2.06	Cenada - L 27 DM	500	100.04		
internal 6-ls 97 and Motor Credit 6-ls 98			103 <sup>1</sup> 8	alle.	5.13	Mar Amer Day 7'4 00 300	0 120%	1214	4	2.11	COCE 0 08 Ecu _	2X 75	99.40	99.5	9 53
d Fik. Japan Fin 74, 97	200	1025	102%		5.42 5.54	Hay 3 <sup>1</sup> 2 01 3000 Japan Dev Bk 5 99 10000	0 104 D 1113a	104l <sub>0</sub> 111l <sub>2</sub>	4	2.71 1.77	Credit Lyonnae &	00 300	97.82		
L Commercial (CD)	Design	and.	100	واله	5.34	Japan Dev Bit 612 01 1200	ID 120%	120%	4	257	Credit Lyonnais (L)	0 98 1250 1000	100.05	-	3 57
i <del>p: Arms: Cav 7½ 05</del> Il F <del>ranco</del> 5¼ 99	\$00 \$00	7104g 1934a	110%	4	6.03 5.15	Money 5% 67 15000 SNCF 6% 00 3000	0 11045 0 1105	106% 116%	4	200	Dresdner Finance :	6 98 DN 1000	100.03		
to Amer Day 7½ dd	2000	99% 074	700	44	6.13	Shain 54, 02 300	J 1165	1164	4	277	Ferro del Star 0.10 Protend 0.97	97 1000	100.07		5.7
poem Com EN 84 <u>1</u> C1	300	1117	97½ 112		7.24 5.65	Sweden 41 95	D 1144	107	4	1.16 2.54	Finland 1, 99	1500	99.78	99.84	
oven Bec Power 6 <sup>1</sup> g 03 letnashka Bec 7 <sup>1</sup> g 02		100	100½ 107½	4	6,47 598	CTHEN STRANGETS					INN ESTA OF 4 99	500	100,13		
trway 74 97	1000	1024	1024 <sub>2</sub>	والو	5.34	Protect 8 04 UP: 500					ksly 4 98	1500	V012.07	100.14	4 59
Hearto 73 <sub>0</sub> (23	200	1173	1084 1125		5.64	Genfrance Lux 9 <sup>1</sup> g 88 Lift 100 SKB Daut Industrik 8 <sup>1</sup> g 03 Lift					Libyds Bank Perp !	Pin lg 88 1000 5 0.10 600	82.42		
bringal 5% 03	1000	994	200	4	528 588	ABN Armo 65 00 R	0 105%	1081		5.03	MBEDYSEL & US	9 1000	99.54	99.75	8 80
ortegal 5% 03	500	TENTA.	110%	4	5.56	Bell Carneda 10 <sup>2</sup> y 99 CS 15 British Columbia 7 <sup>2</sup> x 03 CS 125	0 1121a	107% 112%	orig orig	5.89 6.96	Nova Scota 1 99	500	99.95		
MCF 9 <sup>1</sup> 2 95	200 100	1117	10%	4	5.76	Sritish Columbia 7% 03 CS 125 Capada Mg & Hap 8% 98 CS 100	0 104 7 1085	1044 1084	مأد	7.17	Cintario 0 89	500 2000 500	99.87		
pain 6 2 99	1500	1037	1957	224	3.45	58 10 g 99 CS 13	10812	709 <sup>2</sup> s	444	6.20 5.72	State Bl. Victoria (J.	05 99 125	TUILDO	100.12	5.0
pain 6 <sup>1</sup> 2 99 recian 6 <sup>1</sup> 2 93 strasses Valley 6 00	3000 1000	1034	100 lg 102 lg	44	5.91 5.98	Sec de Partos 94, 99 CS 27 KN Int Pin 10 01 CS 40		111½ 3144	44	6.23 6.69	Sweden u 98	1500 2000	100.04 99.69		
sanesaee Valley 6 h ()5	20DD	203	100	dig.	5.00	Negati Tal Tal 10% 99 CS 20	1125	113	+4	630			-	30.74	
algio Sicc Power 64, 03 mate Mater 54, 98	1900 1500	100/	101-ja	ele ele	5.99 5.05	Ontario II CII CI	0 104%	105 <sup>1</sup> g	واد ماد	7 <u>2</u> 4 6 <u>2</u> 1	CONNERTED BO		Com.		
algo Sec Power 6 <sup>1</sup> s 03 spota Motor 5 <sup>5</sup> s 98 wied Kingdom 7 <sup>1</sup> s 02	3000	108	TOTAL STREET	44	573	Oster Kontrollbank 104, 99 CS 15	1124	1125	ale .	621		Istund		BM OR	e Prop
latif Barik 9/1 (15 locki Barit 8/4 (10	1900 1900	1054 1204	1034 1104	والد مأت		Ouebec Hydro 7 04 CS 100 Ouebec Prov 10in 98 CS 20		95 <sup>5</sup> 8	*4	7.74 6.23	Chulob Capital 6 98 Gold Kelgoorile 7 12	250		쨺 117	
batel Stants. B <sup>2</sup> s, 97	1500	104	1045		4.98	Ouebec Prov 10½ 98 CS		113 <sup>lg</sup>		6.29	Grand Metrocolitan	6 <sup>l</sup> 100 ≥16	437 11	201 <sub>2</sub> 122 141 <sub>2</sub> 1157 <sub>1</sub>	
BJTSCHE MARK STRAGE	ers.					Credit Fonciar 8 <sup>3</sup> s 04 Ecs	1102	4117 1117	+4	8.58 6.33	HEADSON SHIP DE C	220	7 AD	105 101	
ste 6 2 24	3200		657	4	2	6C 6 00 6au	101-	101/2	1.6					Bile Bi	
zier-Wuerit L-Finance 6 90 . acit Foncier 74 03	2000 2000	104k	1047 <sub>1</sub> 984 <sub>1</sub>		440 7.53	58 10 97 Box 112 Fetro del Stat 104 98 Fox 93	1051	105 <sup>5</sup> g 105 <sup>1</sup> e		155 525	Land Secs 6 1 (2)	01 84	6.72	375 BEN 1001 Tel	
edit Foncier 74 (13 erangik 64 (98 gala France 6 <sup>5</sup> ij (13	20	100%	104%	_	3.80	6C 6 07 Eas 100 6B 10 97 Eos 112 Feno del Stat 10 <sup>1</sup> 11 98 Eos 50 1111 10 <sup>1</sup> 11 00 Eos 100	1167	1171	ų,	6DB	Missai Bark 25. co	90	5.64 8	917 <sub>8</sub> 917	
gd: France 6 <sup>3</sup> 1 03 wate 8k fie 7½ 03	TSDD	101	102 108 <sup>1</sup> 4	4	HILE	Chapte religion and At Post 5/8	1134	1131 <sub>2</sub> 1061 <sub>2</sub>	ela ela	6.01	Mount is Fin 612 9	200 20 7 100 2 2 20	283 9	95 87% را100 راوو	
C 6/2 00	2 U	106	105%	•	425	AIDC 10 89 AS	1177	1184	47		Read Power 64, 08 9	250 	4.33 10	با105 وأعلا	+3.
9 64; 00 nlard 7½ 00		105 109%	1054	e <sup>2</sup> m	A.BE	25 74 09 AS 35 NSW Treasury Zero 0 20 AS 100	127	102 <sup>1</sup> 4 13 <sup>1</sup> 2	ala ala		Pennzol 43, 03		8097 10	242 954 26 1004	+57. +18.
b 7	300	1054	106%	-	395	17 &   Blank 74 03 AS 12	967	974	βåg	8.32	Sappi 69/1 Finance 7	^2 02 250 104 300 3€	76 G	6 97	148
9 Baden West 6 <sup>1</sup> 2 06				-4	642 304	11 &   Bank 7 & 03 A\$	1043	196 <sub>3</sub>	112 114	8.71	Sun Aliance 714 08	i — 2		37 <sup>1</sup> 2 88 <sup>1</sup> 2 85 <sub>8</sub> 106 <sup>1</sup> 3	
APRIL 073		197	100		-	NAME AND ADDRESS OF THE PARTY O	1167	1534	974	A.A.	T				440







#### MARKETS REPORT

i 1996

Falley C

ement

M=1.5 $\mathcal{L} = \{ \Delta_{i,j}^{m,n} \}_{i=1}^{m}$ 100

To See

 $z \to z_{\ell}$ 

1.00% - - di 1

一 人名法斯勒

Darth

County

 $\delta^2 + \pi_{\rm tot}^2 \pi_{\rm tot} = \gamma_{\rm tot} + \gamma_{\rm tot} \delta M^2$ 

10.00

20.00

100

 $(\cdot,\cdot,\cdot)^{*},N'$ 

247.12

71 - 51 - 52

173 แกะสะ

20070

70 mm

الأهابها والما

1,000

### Federal Reserve cuts key US interest rates

By Our Markets Staff

The dollar rose on the foreign exchanges yesterday after the US Federal Reserve cut its key interest rates by a quarter point.

The Federal Reserve lowered its Federal funds rate to 5.35 per cent and its discount rate to 5.0 per cent.

The move was followed by the Bank of Canada, which lowered its key interest rates by a quarter point.

The prospect of fresh interest rate cuts had absorbed the attention of the foreign exchange markets throughout most of yesterday's European session, adding a note of uncertainty into trading.
With the FOMC announce-

ment coming after the close of European trading, the dollar consequently moved in a limited range for most of the European session.

Meanwhile in Europe, the Bundesbank's decision to reduce the German repo rate -

by 15 basis points to 3.4 per low the repo rate cut with a cent - prompted speculation reduction in its discount or about further European interest rate cuts. Although the German currency was at first slightly dented by the move, it later recovered as the expectation grew that France and other European countries could follow suit.

The Bundesbank's decision to reduce its repo rate did not take the markets by surprise: with growth in Germany having weakened markedly in recent months, most traders had already anticipated a small

However, the scale of the cut was slightly larger than the 10 basis points that most dealers had expected.
It also fuelled speculation

that the Bundesbank might fol-

R Pour	ed in New York	k
Jen 50	Latest	- Prev. close
£ spαt	1.5180	1.5065
1 200	1,5148	1,5055
3 min	1.5727	1.5036
1 yr	7,5015	1.4928

Lombard rate at its council meeting today.

However, most dealers said they thought this was unlikely. They said the Bundesbank would probably wait in order to assess the impact of its last rate cut on M3, its measure of the money supply.

But the German move was nevertheless thought likely to trigger further, slight easing elsewhere in Europe. Belgium, which ties its mon-

etary policy closely to Germany, followed suit immediately: its central rate was reduced to 3.40 per cent from 3.55 per cent and its end-of-day rate to 4.65 per cent from 4.80 per cent.
The Netherlands is also

slightly today, when it sets its special advances pact. Meanwhile, the Bank of France, which also meets today, is expected to cut its

widely expected to ease policy

the Bundesbank is easing rates Against the D-Mark (Lire per DM) promotes more rapid growth across Europe and improves countries' chances of meeting the Maastricht criteria for monetary union," said Mr Law-

CURRENCIES AND MONEY

rence Hatheway, senior currency strategist at UBS in Lon-The lira found further support from the growing expectation that a new government would be formed soon. It was also supported by comments by Mr Jean-Claude

hasis points from its current level of 4.2 per cent. ■ Most European currencies

94

1903

were initially buoyed by the German repo rate cut before the D-Mark recovered later in

The Italian lira rose sharply to end close to its recent highs, while the French franc closed

subdued during most of the London session ahead of the FOMC meeting. Dealers said the markets had discounted a 25 basis points reduction in US rates at the meeting.

The Canadian dollar rallied strongly, buoyed partly by rumours of a large buy order in London and on speculation that Canadian rates would remain unchanged even if US rates were cut.

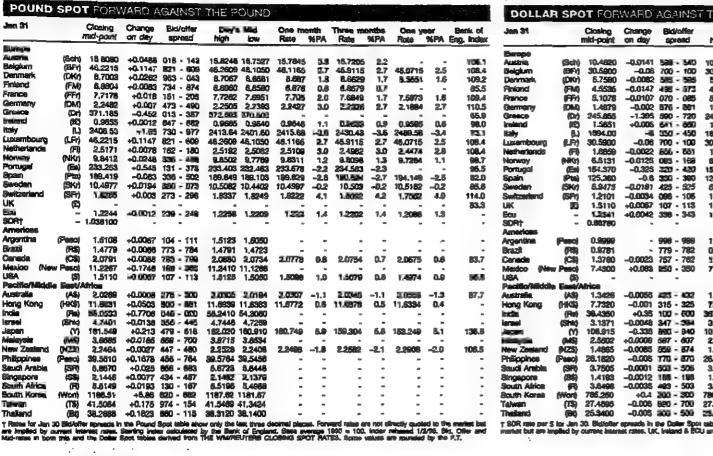
In London, the dollar finished at DM1.4879 against the D-mark from DM1.490. It closed at Y106.915 against the yen, from Y107.2.

The pound finished slightly stronger against the D-Mark at DM2.2482, from DM2.241. It was also ahead against the dollar at

closed higher at L1,071, from		from \$1.504.	THE WORLD AL
L1,074, while the French franc finished at FFr3.433, from	■ 07H		5
FFr3.436. Traders said specula-	Jan 31	£	8
tion of a small rate cut in	Czech Rp	41.1167 - 41.1482	27.2170 - 27.2270
France was likely to weaken	Hungary	214.172 - 214.333	141,770 - 141,830
	lan	533 at - 4355 lb	MACHINE - 20000 DE
the French franc in coming	The call,	0.4534	
days.	Potent	3250 - 1255	
Trading in the dollar was	(Receipt	7163.56 - 7163.74	4740.00 - 4742.00
as reminde in the country and	BAE	1.5453 · 5.5613	3.6727 - 3.6731

				cut its te by 20	mode:		high	er agai	nst the	days.	rading b	n the	dollar	Was	Potand Recasio U.A.E.	7163.5	- 1.822 6 - 7161.74 1 - 53612	4740.0	0 - 23±10 0 - 4742.00 7 - 3.5731
	•				DOL	LAF	SPO	T FOR	WARD	AGAINS	THE C	OCLLA	S :						
Three m	MPA	One ye		Benk of Eng. Index	Jan 31			Closing mid-point	Change on day	Bid/offer spread	Day's high	mid low	One mo	%PA	Three its	onthe %PA	One ye	nder J 96PA	P Morgan Index
					Europe														
15.7205	2.2		-	106.1	Austria.		(Sch)	10.4620	-0.0141	588 - 540	10,4930	10.4420	10.4465	1.6	10 4145	1.8	10.292	1.6	106.1
45.9115	2.7	45.0715			Beigium	1	(BFr)	30.6900	-0.06	700 - 100	30.6820	30.5470	30.538	20	30.4375	2.0	30.075	1.7	108.0
8.6629	1,7	3.565	1.6		Denmark	k,	(DIG)	<b>5.7580</b>		585 585	5,7755	5.7470	5.753		5,7435	1.0	5.7655	-0.1	108.A
6.6679	0.7	-	-	85.5	Finiand		(FM)	4.5535		435 - 973	4.5770	4,5156	4,5485	1.5	3.5369	1.2	4.5111	0.9	84.6
7.6849	1.7	7.5973	1.6		Prance		(FFr)	5,1078	-0,0107	070 - 085	5.1266	5.1030	5.1038	1.0	5.0063	0.9	5.0738	0.7	109.0
2,006	2.7	2.1884	2.7	110.5	German	7	(DAG)	1.4879		576 - 561		1,4850	1,4854	2.0	1.4507	1.9	1.4614	1.8	109.9
				65.9	Greece		(Dr)	245,855		590 - 720	247.080		247.33		250.58	-8.0	265.405	-5.0	65.2
0.200	0.9	0.9585	0.6	98.0	<b>treinnd</b>		(12)	1.5651		5/1 - 850		1.5590	1,5465		1.566	-0.2	1.5521	0.2	-
2430.48	-3.5		-3.4	15.1	italy		6.)	1894,00		350 - 450					1612.9	-4,7	1671	-4.8	724
45.9115	2.7	45,0715	2.5	108.4	Luxamb		(LFI)	30.5900		700 - 100	30.6820		30.535	2.0	30.45	1.8	30.145	1.5	108.0
2.4962	3.0	2,4478	2.8	108.4	Netheria	rid6	F	1.6859		606 - 601		1,6632	1,0526	22	1.5554	23	6333	2.0	107.9
9.2098	1.3	9.7284	1,1	98.7	Morway		<b>INNO</b>	6.5131		085 - 168		6,4885	6.5106	0.4	6.5026	0.6	6.4856	0.4	97.7
234.583	-2.3			96.5	Portugal	ı	(Es)	154.370		220 - 420	154.200				156.515	-3.0	159.12	-3.1	95.3
190,534	-2.7	194,149	-25	82.0	Spain		(Pta)	125,360		300 - 300	125.800				128.49	-3.6	129,98	-3.7	81.5
10.509	-0.2	10,5182	-0.2	85.6	Sweden		(SK/)	8.9475		425 - 525	5.9743	6.9290	5.9946		5.994	-2.7	7.1315	-28	W5.0
1,8092	4.2	1.7062	4.0	114.0	Switzerle	TIO.	(SP1)	1.2101		096 - 105		1.2090	7,2067	3.4	1.1995	3.5	1.172	31	113.3
	- :			33.3	UK		99	1.5110		107 - 113		1.5050	1.5006	1.0	1.5079	8.0	1.4974	9.0	82.7
1.2202	1,4	1,2086	1.3	-	Ecu		-	1.2541	+0.0045	336 • 343	1.254	1.2300	1.2344	-0.3	1.2848	-02	1.2354	-0.1	-
•	-	-	-	•	SDR†	_	-	0.88760	•	-	-	•	-	-	-	-	-	-	-
				-	America		Pesci	0.9999		996 - 999	1,0000	0.9996							
	_	•	.=	•	Argentini Brazit	•		0.9781	-	779 - 782	0.9810	0.9779		-	•	-	•	-	•
0.0384	0.7	2.0675	0.6	89.7			(PS)		0.0000			1.3736	4 9781	0.4	4 9790	0.4	1.0010	- 0.4	-
2.0754	UL7	610072	Q.D	83.7	Cenada Mexico	- Ale	(CS)	1.3760 7.4300		757 - 762 250 - 350	7.5836	7.4100	1.3761 7.4322	-0.1	1.3762 7.4354	-0.1	1:3813	-0.4	62.9
1.5079	0.8	1,4974	مه	16.5	USA	Same?	Peec)	7.4300	10.008	E00 - 300	7.4400	1.4100	(A362	-0.4	1,4304	-0.3	7.4403	-0.1	97.8
TISONE	ų.o	1/4814	u.p	90.0	Pacific/I	and the latest	(S)	_	•	-	-	-		-	-	-	-		81.0
2,0040	-1.1	(tea	-1.3	87.7	Australia		(AS)	1,3426	_0.00ER	45 - 400	1.3432	1,3423	1.3445	-1.8	1,3461	-1.6	1.3666	-1.8	300.7
11.0378	0.5	11.6334	0.4	01.7	Hong Ko		(HKS)	7.7320		315 - 325		7.7315	7.7327	-0.1	7.7345	-0.1	7.7815	-0.4	-
TIMOTO	-	11,0300	W		inchi.	ang.	(Flat)	38.4350		100 - 600	36,7000		36.585	-4.9	36.89	-5.0	38.10	-6.3	_
	_				lormal		(SHA)	3.1371		347 - 394	3.1422		30.000		3000	-320	MQ.UM	-6.0	
159.304	8.8	153,249	51	136.8	Ascen		(1)	108.915		MIC - 840	107.570		106.47	5.0	105.64	4.8	102.33	4.3	1206.0
100,000	-	100.540	٠.,	199.0	-		0458	2.5602		587 - 607		2.5502	2.5611	-0.4	2.5872	-1.1	2,5907	-1.2	1400.0
2.2582	-2.1	2,2908	-20	108.5	New Zee	ionel	NZS)	1,4865		859 - 874		1,4859	1,4595	-2.5	1,4964	-2.4	1.52	-23	_
	-16-1	CTROO		100.0	Philippin		Peeci	26.1820		170 - 870	26,1870		1,4000	-6.0	1,74044		1406	-2.0	_
			_	_	Saudi An		(SR)	3.7505		500 - 506		3.7503	3.751	-0.1	3.7517	-0.1	3.755	-0.1	_
-	-	-	-		Singapor		(94)	1.4183		100 - 100		1.4188	1,4158	30	1.4098	2.7	1.3843	2.8	
-	-		_	-	South Af		(D)	3.6498		403 - 503		3.6493	3,6785	-8.5	3.73	-8.6	1.0533	-6.3	-
	_				South Ko		Wort	786.260		300 - 300	786,700 7		789.25	-4.6	781.75	-33	B10.25	-3.2	
_	-	_	-		TANKER		(12)	27.A895		B20 - 700	27,4820		27,4895	-09	27.5295	-0.9	4-023	-4-2	
-	_	_	-	_	Theilench		(96	25.3400		200 - 500	25.3500					-4.8	25.525	-4.7	_
				-						House - Spor No Dollar Spo									-
	य गाउन व	- denis denis	o	nement but	I som use	2 to 2	100 July 1		shakes at	na nome obs	of company in column	जान्य व्यक्त	- m-i	Appendix 1	Marie Late	O Marie	P SEE LICK O	-end d	AND ID US

### WORLD INTEREST RATES week ago week ago week ago S LEIOR FT London US Della COs week ago GCU Linked De EURO CURRENCY INTEREST RATES 313 - 311 413 - 45 314 - 319 314 - 319 412 - 414 812 - 814 811 - 914 311 · 3,5 412 - 442 314 - 3,6 315 - 212 415 - 411 814 - 819 815 - 813 315 - 345 416 - 445 312 - 316 314 - 316 415 - 446 815 - 816 816 - 816 312 - 314 413 - 472 374 - 314 374 - 314 412 - 473 875 - 873 875 - 873



	_	mki-point			high							_	
herope 	40-61	10,4620	D 204.64			45 4400	28.232						
ustria.	(Sch)	30.6900		588 - 540		10.4420		1.6	10 4145	1.8	10.292	1.6	106.1
eigium	(BFr)			700 - 100		30.5470	30.538	20		3.0	30.075	1.7	108.0
lenmark.	(DIO)	6.7580		565 - 565		5.7470	5.753		5.7435	1.0	5.7655	-0.1	106.4
iniond	(FM)	4.5535		455 - 573		4.5156	4,5486		3,5369	1.2	4.5111	0.9	84,6
rance	(FFr)	5,1078		070 - 085		5.1030	5.1038	1.0	5.0063	0.9	5.0738	0.7	109.0
<b>Jermany</b>	(DMI)	1.4879		576 - 561		1,4850	1,4854	2.0	1,4807	1.9	1.4614	1.8	109.9
378000	(D)	245,855		590 - 720		245.550	247.33		250.58	-8.0	285.405	-5.0	65.2
reland	(12)	1.5651		5/1 - 850		1.5590	1,5455		1.566		1.5521	0.2	
laily	(1)	1894.00		350 - 450		1590,20			1612.9	-4,7	1671	<b>-4.8</b>	72.4
шкатроигд	(LFI)	30.5900	-0.06	700 - 100	30.6820	30.5470	30.535	2.0	30.45	1.8	30.145	1.5	108.0
Vertherfends	F	1.6859	-0.0055	606 - 661	1.6712	1,6632	1,0526	22	1.6564	23	1.6333	2.0	107.9
lorway	(NIG)	6.5131		085 - 168	8,5405	6,4885	6.5106	0.4	6.5026	0.6	6.4856	0.4	97.7
ortugal	(Es)	154.370	-0.325	320 - 420	154.200	153,960	154.745	-2.9	156.515	-3.0	159.12	-3.1	95.3
pain	Ptai	125,360		330 - 390	125,800	125.240	125.756	-3.6	128.49	-3.6	129,98	-3.7	81.5
Sweden	SKA	8.9475		425 - 525	5.9743	6.9290	5.9846	-29	5.994	-2.7	7.1315	-28	M5.0
autzerhand	(SPI)	1,2101	-0.0034	096 - 105		1.2090	7.2007	3.4	1,1995	3.5	1.172	31	113.3
K	100	1.5110		107 - 113		1.5050	1.500	1.0	1.5079	0.8	1,4974	0.9	82.7
icu	~	1.2541		338 - 343		1.2300	1,2344	-03	1.2848	-0.2	1,2354	-0.1	DE.
IDR+	_	0.88780							120-0	-02	1000	7011	
Longricus	_		-	_			_	_	_	_	_	-	•
rgentine.	Pesci	0.9999		996 - 999	1,0000	0.0000		_		-		_	
rgonum. Irazit	PR	0.9781		779 - 782	0.9810		_	_			_	-	
		1.3780		757 - 762		1.3736	1,3761	-0.1	1,3782	-0.1	1.3813	0.6	62.0
cenada	(CS)				1.5836							-0.4	
	Peec)	7.4300	10.068	250 - 350	7,4400	7.4100	7.4322	-0.4	7.4354	-0.3	7,4403	-0.1	-
SA.	(2)	-	-	-	-	-		-	-	-	-	-	97.8
actic/Middle			0.0055	-			W 11.47		4.045		4.0444		
estrafie.	(43)	1.3426		422 - 422		1.3423	1,3445		1,3481		1.3666	-1.8	
iong Kong	(HIGS)	7.7320		315 - 325		7.7315	7.7327	-0.1	7.7345	-0.1	7.7815	-0.4	-
richi.	(Flat)	36.4350		100 - 600	36,7000		36.585	-4.9	36.89	-5.0	38.30	-5.3	-
pravoli	SHO	3.1371		347 - 394		3.4347		-		-	-	-	-
0000	ന	106,915		800 - 840		105,800	105.47	5.0	105.54	4.8	102,33	4.3	136.0
CONTRACT OF	(MS)	2.5602		587 - 607		2.5592	2.5611	-0.4	2.5672	-1.1	2.5907	-12	•
lew Zeniand	NZS)	1,4865	-0.0065	859 - 874	1.4889	1.4859	1,4595	-2.5	1,4964	-2.4	1.52	-2.3	-
hiliopines	(Peec)	26.1820	-0.005	T70 - 870	26,1870	26.1770	-	-	-	-		-	-
audi Arabia	(SF)	3,7505	-0.0001	503 - 506	3,7506	3.7503	1.751	-0.1	3.7517	-0.1	3.755	-0.1	-
enogapone	(94)	1,4193		185 -: 198		1.4188	1,4158	30	1,4098	2.7	1.3043	2.6	
outh Africe	F8	3.6498		493 - 503		3.6493	3,6785	-8.5	3.73	-8.6	0533	-6.3	
outh Kores	(Nort	786.260		300 - 300	786,700		789L35	-4.6	781.75	-33	B10.25	-3.2	
ANSER	(12)	27,4895		690 - 700			27,4895	-09	27.5295	-0.9	4-023	-9-0	
heitend	(30)	25.3400		200 - 500			25.4387				25.525		_
	(100)								mouses; maces. For				

Trichet, governor of the Bank

of France, who said that the

Italian currency had the poten-

tial to appreciate against other

Against the D-Mark, the lira

European currencies.

Spanish Pe			- 91 81		D13 - 853	8년 - 8년	972 - BH
Starling	8,	6 6		- 6 e	64 - 64	64 - 64	65 - 65
Swiss Fran	E 154.	11/3 1/4		- 1 <b>5</b>	14 - 14	1% - 15	14 - 14
Can. Dollar	53	516 54		- 5lg	514 - 514	54 - 54	34 - 51 54 - 41
US Dollar	516		· 5 4 5 5		5/4 - 5/4	54 - 54g	
Italian Lira				- p3 <sub>t</sub>	94 - 95	914 - 914	9]] - 932
Vien			- 33 7	- 4	2 12	i - ii	B - 13
Acien \$Sin		1 2 2 6		- 212	2 8 - 211	2년 - 2월	3 - 27
Short term	opperate call	for the US De	pliar and Yes	1, others'	DWG CIDNE, UG	Nes.	_
S THREE	MONTH P	SOR FUT	URES (MA	RF) Pans	interbank (	offered rate (	FF(Sm)
	Open	Sett price	Change	High	LDW	Est. vol	Open Int.
Mar	95.51	95.51	+0.08	95.57	95.50	37.358	55.824
Jun	95.71	95.71	+0.06	95.76	15.69	11.737	51.818
Seo	95,73	95.73	+0.04	95.76	16.71	B.536	39,305
		241.0	1000-	20.70	160,7.1	6,669	03,009
I THE	MONTH S		<b>FUTURE</b>	S (LEFE	<u> DM1m po</u>	inter of 100%	
	Open	Sett price	Chenge	High	Low	Est. voi	Open Int.
Mar	96.76	96.78	+0.04	165.03	98.75	38085	171904
Jun	96.87	96,88	+0.02	96.89	96.83	50797	176060
Sep	96.81	96.78	1000	96.84	96.75	38797	156407
Dec	96.61	44.50	-0.01	96.67	96.54	32000	150563
	MONTH E	USCLEM !	DIMES.				
- 11							_
	Open	Sett price	Change	High	LOW	Est. Vol	Open int,
Mer	90,50	90.54	+0.10	90.62	90,40	15475	47148
إبيال	00 Oct	91.09	+0.13	97,16	90.00	6002	28774
5ep	91.36	31.38	+0.12	91,40	91.28	1423	18907
Sep Dec	91.36 B1.45	91.38 91.48	+0.12 +0.13	91,48 91,48	91.28 91.37	1423 1084	9950
	81.48	91.48	+0.13	91,48	81.37		9950
Dec	B1.48	91.48 URO ST	+0.13 S FRANC	91,48 PUTURE	81.37	1084 Fr7/m points	9950 of 100%
Dec THREE	B1.45 EMPARTH S Open	91,48 URO STATE Sett price	+0.13 S FRANC Charge	91,48 PUTURE High	R1.37 SE (LIFFE) S Low	1064 Frim points Est. voi	9950 of 100% Open int.
Dec III THREE	91.45 Open 98.16	91,48 UNO STATE Sett price 98,19	+0.13 S FRANC Change +0.07	91,48 FUTTURE High 88,20	R1.97 SE (LIFFE) S Low 88.08	1004 Frim points Est. vol 7844	9950 of 100% Open int. 23524
Mer Jun	91.45 Open 98.18 55.14	91,48 UNO See Sett price 98,19 98,14	+0.13 S FRANC Change +0.07 +0.04	91,48 PUTURE High 98,20 98,18	11.37 (LIFFE) 3 Low 98.08 96.08	1064 Fr1in points Est. voi 7844 6130	9950 of 100% Open int. 23524 21418
Mer Jun Sep	91.45 Open 96.18 56.14 98.05	91,48 UNO Sett price 98,19 98,14 98,04	+0.13 S FRANC Change +0.07 +0.04 +0.03	91,48 FUTTURE High 98.20 98.18 88.09	11.37 Low 98.08 96.08 97.96	1084 Frim posts Est. vol 784; 6130 2486	9950 of 100% Open int. 23524 21418 10573
Mer Jun Sep Did	91.45 Open 98.16 58.14 98.08 97.87	91,48 UNO Sett price 95,19 95,14 98,04 97,84	+0.13 S FRANC Change +0.07 +0.04 +0.03 +0.03	91,48 Furture High 88,20 98.18 88.08 87.88	11.37 Low 98.08 96.08 97.96 97.76	1084 Fr1m posts Est. vol 784; 6130 2485 601	9950 of 100% Open int, 23524 21418
Mer Jun Sep Did	91.45 Open 96.18 98.06 97.87	91,48 UNO Sett price 98,19 85,14 98,04 97,84 CU PUTUR	+0.13 S FRANC Charge +0.07 +0.04 +0.03 +0.03	91,48 FUTURE High 89,20 98.18 81.08 97.89 Eou'lm	11.97 Low 98.08 96.08 97.76 97.76	1084 Frim points Est. vol 784; 6130 2485 801	9950 of 100% Open int, 29524 21418 10573 5328
Mer Jun Sep Dec M THERES	91.45 Open 96.16 98.05 97.87 I MONTH E	91,48 UNO Sett price 98,19 98,14 98,14 97,84 CU FUTUR Sett price	+0.13 S FRANC Change +0.07 +0.04 +0.03 +0.03 ES (LIFFE)	91,48 FUTURE High 88,20 98,18 81,08 97,89 Eou'lm	11.37 Low 98.08 98.08 97.96 97.70 poents of 10	1084 Fr1m points Est. vol 7844 6130 2485 801 094	9950 of 100% Open int. 23524 21418 10578 5328 Open int.
Mer Jun Sep Dick	98.18 98.18 98.08 97.87 1 MONTH E Open 95.40	91,48 URO Sett price 98,19 98,14 98,04 97,84 OU FUTUE 96,44	+0.13 S FRANC Change +0.07 +0.04 +0.03 +0.03 ES (LIFFE) Plange +0.08	91,48 Furtures High 88,20 98,18 81,08 97,89 Eou1m   High 95,45	11.37 Low 98.08 98.08 97.96 97.70 points of 10 Low 95.40	1084 Frim postes Est. vol 7844 6130 2486 801 094 Est. vol 2252	9950 et 100% Open int. 29524 21418 10578 5328 Open int. 9325
Mar Jun Sep Dec Mar Jun	P1.45  Den 96.16  Bi.14  P8.05  97.87  Den 98.40  P8.40  P8.55	91,48 URO Sett price 98,19 85,14 84,04 97,84 OU FUTUR Sett price 96,44 85,58	+0.13 S FRANC Charge +0.07 +0.04 +0.03 +0.03 ES (LIFFE) +0.06 +0.06	91,48 Purture High 89,20 98,18 97,89 Ecu1m   High 95,45 95,62	11.37 Low 98.08 98.08 97.96 97.70 poents of 10 Low 95.53	1084 IF/Im points Est. vol 784.; 6130 2486 801 094 Est. vol 2252 1123	9950 of 100% Open int. 29524 21418 10578 5328 Open int. 9325 4795
Mer Jun Sep Dec Mar Jun Sep Dec Mer Jun Sep Dec Mer Jun Sep Ju	P1.45  Den 96.16  S.14  96.06  9.87  BENTH E  Open 95.40  95.55	91.48 98.19 98.19 98.14 98.04 98.04 98.04 OU FUTUR 96.44 95.58 95.58	+0.13 S FRANC Change +0.07 +0.04 +0.03 ES (LIFFE) PLOON +0.08 +0.06	91, 48 PUTURE High 99,20 98,18 80,09 97,89 Ecu1m High 95,45 95,62 95,62	11.37 Low 98.08 96.08 97.96 97.70 points of 10 Low 15.40 95.53	1084  Frim postac  Est. vol  784; 6130 2486 601  094  Est. vol  2252 1133 392	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9325 4795 2950
Mar Jun Sep Did Mar Jun Mar Jun Mar Jun Mar Jun Did Mar Jun Des	P1.45 EMPLETH S Open 96.16 HL14 98.05 97.87 EMOUTH E Open 95.40 95.55 95.55 85.56 HL49	91.48 URO S Seft price 95.19 98.14 91.64 97.64 OU FUTUR 96.44 95.58 95.47	+0.13 S FRANC Charge +0.07 +0.04 +0.03 +0.03 ES (LIFFE) +0.06 +0.06	91,48 Purture High 89,20 98,18 97,89 Ecu1m   High 95,45 95,62	11.37 Low 98.08 98.08 97.96 97.70 poents of 10 Low 95.53	1084 IF/Im points Est. vol 784.; 6130 2486 801 094 Est. vol 2252 1123	9950 of 100% Open int. 29524 21418 10573 5328 Open int. 9325 4795
Mar Jun Deg Lury Deg 1 UPFE Lum	91.45 Den 96.16 E1.14 96.05 97.87 MONTH E Open 95.40 95.55 95.58 81.46	91.48 URO S Sett price 98.19 98.14 97.84 CU FUTUR Sett price 96.44 95.58 95.47 d an AP7	+0.13 S FRANC Charge +0.07 +0.04 +0.03 +0.03 *0.05 +0.06 +0.06 +0.06 +0.04	91,48 FUTTURE High 98,20 98,18 HILOS 97,89 Eou1m   High 95,45 95,62 95,51	11.37 Low 98.08 98.08 97.78 97.78 90.010 of 10 Low 15.40 95.53 95.56 95.45	1084  Frim postac  Est. vol  784; 6130 2486 601  094  Est. vol  2252 1133 392	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9325 4795 2950
Mar Jun Deg Lury Deg 1 UPFE Lum	P1.45 EMPLETH S Open 96.16 HL14 98.05 97.87 EMOUTH E Open 95.40 95.55 95.55 85.56 HL49	91.48 URO S Sett price 98.19 98.14 97.84 CU FUTUR Sett price 96.44 95.58 95.47 d an AP7	+0.13 S FRANC Charge +0.07 +0.04 +0.03 +0.03 *0.05 +0.06 +0.06 +0.06 +0.04	91,48 FUTTURE High 98,20 98,18 HILOS 97,89 Eou1m   High 95,45 95,62 95,51	11.37 Low 98.08 98.08 97.78 97.78 90.010 of 10 Low 15.40 95.53 95.56 95.45	1084  Frim postac  Est. vol  784; 6130 2486 601  094  Est. vol  2252 1133 392	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9325 4795 2950
Mar Jun Deg Lury Deg 1 UPFE Lum	91.45 Den 96.16 E1.14 96.05 97.87 MONTH E Open 95.40 95.55 95.58 81.46	91.48 URO S Sett price 98.19 98.14 97.84 CU FUTUR Sett price 96.44 95.58 95.47 d an AP7	+0.13 S FRANC Charge +0.07 +0.04 +0.03 +0.03 ES (LIFFE) +0.08 +0.08 +0.06 +0.04 L1000m pc	91,48 FUTTURE High 98,20 98,18 HILOS 97,89 Eou1m   High 95,45 95,62 95,51	11.37 Low 98.08 98.08 97.78 97.79 poents of 10 Low 15.40 95.53 95.56 95.45	1084  Frim postac  Est. vol  784; 6130 2486 601  094  Est. vol  2252 1133 392	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9325 4795 2950
Mar Jun Sep Dec Mar Supp Dec Mar Supp Sep Supp	91.45 Den 96.16 E1.14 96.05 97.87 MONTH E Open 95.40 95.55 95.58 81.46	91.48 94ff price 98.19 86.14 97.84 CU PUTUM Sett price 96.44 95.58 95.58 95.58 95.78 CUPUTUM CALIFFE	+0.13 S FRANC Change +0.07 +0.03 +0.03 +0.03 ES (LIFFE) +0.08 +0.06 +0.04 L1000m pc	91,48 FUTURE 98,20 98,18 41,08 97,89 Eou1m   High 95,45 95,61 95,51	11.37 Low 98.08 98.08 97.78 97.79 poents of 10 Low 15.40 95.53 95.56 95.45	1084 Est. vol. 7844; 6130 2486 601 094 Est. vol. 2252 1123 392 639	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9325 4795 2950
Mer Jun Dec Lum Berkel Dec Lum Dec Lum Berkel	P1.45 E MONTH E Open 96.16 91.47 98.06 97.87 I MONTH E Open 95.40 95.55 95.58 Max rade JRA OPTIO	91.48 940 Price 98.19 98.14 97.84 60 Putton Sett price 96.54 95.58 95.58 95.58 96.477 86 (UFFE)	+0.13 S FRANC Change +2.07 +0.03 +0.03 +0.03 ES (LIFFE) +0.06 +0.06 +0.06 +0.04	91,48 FUTURE High 99,20 98,18 97,99 97,99 Eou1m   High 95,45 95,62 95,61 95,51	R1.37  Low 98.08 98.08 98.08 97.96 97.78  Low 185.40 95.53 95.56 95.48	1084 Frim points Est. voi 784; 6130 2486 601 094  Bet. voi 2252 1123 392 639	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9025 4795 2960 2962
Mer Jun Dec 10 Jun Dec	P1.45 E MONTH E Open 96.16 96.06 97.87 I MONTH E Open 95.40 95.55 95.58 95.58	91.48 94ff price 98.19 88.19 88.19 88.19 88.04 97.84 85.58 95.58 95.58 95.58 (UPFE) 0.08	+0.13 S FRANC Charge +0.04 +0.03 +0.03 +0.08 +0.08 +0.08 +0.08 +0.09 L1000m pc	91.48 PUTURES High 99.20 98.18 91.09 97.89 Eou1m   High 95.45 95.61 95.51 bints of 1	81.37 Low 98.08 96.08 97.96 97.78 poerts of 10 Low 185.10 95.53 95.56 98.48	1084 Fr/Im points Est. vol 784; 6130 2485 801 094 Est. vol 2252 1133 392 539 PUTS Jun 0.21	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9025 4795 2960 2962
Mar Jun Sep Dec THENES  Mar Jun Sep Dec THENES  Mar Jun Dec THENES	P1.45  Open 96.16  51.14  96.05  97.87  MONTH E  Open 95.40  95.40  95.55  95.58  11.49  Man 10.24	91.48 940 Price 98.19 98.14 97.84 60 Putton Sett price 96.54 95.58 95.58 95.58 96.477 86 (UFFE)	+0.13 S FRANC Change +0.07 +0.03 +0.03 +0.03 ES (LIFFE) +0.08 +0.06 +0.04 L1000m pc	91.48 FUTURES High 98.20 98.18 10.09 97.89 Eou1m   High 95.45 95.62 95.61 95.51	81.37 Low 98.08 96.08 97.96 97.78 poents of 10 Low 85.40 95.53 95.56 95.48 0044	1084 Frim points Est. voi 784; 6130 2486 601 094  Bet. voi 2252 1123 392 639	9950 et 100% Open int. 23524 21418 10573 5328 Open int. 9025 4795 2960 2962
Mer Jun Berlot Mar Jun Berlot Mer Jun Berlot Mer Jun Berlot Mer Jun Berlot Mer	P1.45 E MONTH E Open 96.16 96.16 97.87 I MONTH E Open 95.40 95.55 95.58 95.68 IIIAOPTIO	91.48 94ff price 98.19 88.14 98.04 97.84 60 PUTUM 96.44 95.58 95.58 95.58 95.58 95.47 d on AP7 106 (LIFFE) 0.00 0.01	+0.13 S FRANC Change +0.07 +0.03 +0.03 +0.03 ES (LIFFE) +0.08 +0.06 +0.04 L1000m pc	91.48 PUTUNE High 98.20 98.18 97.89 Eou'im   High 95.45 95.62 95.61 95.51 bints of 1	81.37 Low 98.08 96.08 97.96 97.78 poems of 10 Low 95.53 95.56 95.45 00%	1084 Fr/Im points Est. voi 784; 6130 2486 601 094  Fst. voi 2248 1133 392 639  PUTS Jun 0.21 0.27 0.38	9950 el 100% Open int. 2852 21418 110573 5328 Open int. 9225 4795 2950 2962
Mar Jun Dec Lum BUROL Relies Dec Lum B	P1.45 E MONTH E Open 96.16 96.16 97.87 I MONTH E Open 95.40 95.55 95.58 95.68 IIIAOPTIO	91.48 94ff price 98.19 88.14 98.04 97.84 60 PUTUM 96.44 95.58 95.58 95.58 95.58 95.47 d on AP7 106 (LIFFE) 0.00 0.01	+0.13 S FRANC Change +0.07 +0.03 +0.03 +0.03 EXECUTED HOUSE +0.06 +0.06 +0.04 L1000m pc	91.48 PUTUNE High 98.20 98.18 97.89 Eou'im   High 95.45 95.62 95.61 95.51 bints of 1	81.37 Low 98.08 96.08 97.96 97.78 poerts of 10 Low 185.40 95.53 95.56 98.48 0014	1084 Fr/Im points Est. voi 784; 6130 2486 601 094  Fst. voi 2248 1133 392 639  PUTS Jun 0.21 0.27 0.38	9950 el 100% Open int. 2852 21418 110573 5328 Open int. 9225 4795 2950 2962
Mer Jun Berlot Mar Jun Berlot Mer Jun Berlot Mer Jun Berlot Mer Jun Berlot Mer	P1.45 E MONTH E Open 96.16 96.16 97.87 I MONTH E Open 95.40 95.55 95.58 95.68 IIIAOPTIO	91.48 94ff price 98.19 88.14 98.04 97.84 60 PUTUM 96.44 95.58 95.58 95.58 95.58 95.47 d on AP7 106 (LIFFE) 0.00 0.01	+0.13 S FRANC Change +0.07 +0.03 +0.03 +0.03 EXECUTED HOUSE +0.06 +0.06 +0.04 L1000m pc	91.48 PUTUNE High 98.20 98.18 97.89 Eou'im   High 95.45 95.62 95.61 95.51 bints of 1	81.37 Low 98.08 96.08 97.96 97.78 poerts of 10 Low 185.40 95.53 95.56 98.48 0014	1084 Fr/Im points Est. voi 784; 6130 2486 601 094  Fst. voi 2248 1133 392 639  PUTS Jun 0.21 0.27 0.38	9950 el 100% Open int. 2852 21418 110573 5328 Open int. 9225 4795 2950 2962
Mer Jun Berlot B	P1.45  Deen 96.16  1.14  98.06  97.87  MONTH E  Open 95.55  95.56  95.56  Mar.  0.24  0.14  0.07	91.48 94ff price 98.19 88.14 98.04 97.84 60 PUTUM 96.44 95.58 95.58 95.58 95.58 95.47 d on AP7 106 (LIFFE) 0.00 0.01	+0.13 S FRANC Change +0.07 +0.03 +0.03 +0.03 EXECUTED +0.08 +0.06 +0.06 +0.04 L1000m pc	91,48 PUTUNE High 98,20 98,18 Hill.08 97,99 Eou1m   High 95,45 95,62 95,61 95,51 bints of 1	81.37  Low 98.08 98.08 98.08 97.96 97.78 conta of 10 Low 85.53 95.56 95.45 00%	1084 Fr/m points Est. vol 784; 6130 2486 601 0%  Bet. vol 2282 1133 392 639  PUTS Jun 0.21 0.27 0.38	9950 el 100% Open int. 2852 21418 110573 5328 Open int. 9225 4795 2950 2962

CROSS	RATE	S AN	D DER	VATIV	ÉS -												7.75	
EDICHA	NGE CF	1088	RATE	•														
Jan	ı 31	8Fr	DKr	FFr	DM	Æ	L	FI	MKr	Bs	Pto	SALL	8Fr	_ £	C\$		Y	Eou
Belglum	(87)	100	18.62	16.70	4.864	2.088	5210	5,448	21,29	504.5	4110 E	22.70	3.855	2,164	4.498	3.269	349,4	2,648
Dependrk	DIG	53,13	10	8.871	3.594	1,100	2768	2.893	11.31	268.0	217.7	12.06	2,101	1,149	2.390	1.737	185.6	1.407
France	(FIFr)	59.89	11.27	10	2.81%	1,250	3120	3,261	12.73	302.2	246.4	13,50	2.368	1.296	2.694	1.958	209.3	
F1 - 1	(DM)	20.50	3.870	3,453	1	0.429	1071	1.120	4,378	103.7	84.25	4.866	0.813	0.445	0.925	0.672	71.84	0.544
ireland.	923	47.30	9.016	7,998	2,330	1	2495	2,608	10.20	241.7	196.3	10.87	1/894	1.036	2.154	1.566	167.4	1.268
. whele	(1)	1,919		0.321	0.093	0.040		0,105	0.409	9.684	7.866	0,436	0.078	0.042	0,086	0.063	6.707	0.051
Notherland	u (Pt)	18.36	3.456	3.066	0.883	1	956.7	1	3.910	92.65	75.25	4,168	0.726	0.397	0.626	0.800	64.16	
Norway	(NKr)	48.97	5.841	7.848	2.284	0.981	2447	2.558	10	337.0	192.5	10.66	1,858	1,016	2.113	1.585	184.1	1.244
Portugal	(Es)	10.82	3,731	3.310	0.964	0.414	1033	1.079	4.220	100.	\$1.22	4.498	0.794		0.862	0.648	89.25	
Spain	(Ptat)	24.40	4,593	4.075	1.187	0.510	1271	1.329	6.196	123.1	100.	5.530	0.965	0.528	1.098	0.798	85,27	0.846
Sweden.	(SK/)	44.06	5.294	7.357	2.143	0.220	2296	2.300	9.381	222.5	180.6	10	1.743	0.953	1.982	1,440	154.0	
Switzerland	i (SFr)	25.28	4.759	1,222	1.230	0.528	1317	1.377	5.383	127.6	103.6	5.730	1	0.547	1.137	0.827	88.35	
UK	Ω.	48.22	8.700	7,718	2.248	0.985	2408	2.517	9.841	233.2	189.4	10.49	1.828	. 1	2.079	1.511	181.5	1.224
	(CS)		4,185	3,712	1,081	0,464	1158	1.211	4.734	112.2	\$1.10	5,048	0.679	0.481	1	0.727	77.88	
UB	(B)	30.59	5.758	5.108	1.468	0.638	1504	1.005	8.513	154.3	125.3	8.942	1.210	0.6	1,376	1	106.9	0.810
Japan	m	38.62	5.367	4,779	1.392	0.596	1491	1.559	6.093	148,4	117.3	6.495	1.132	0.619	1.267	0.936	100.	0.758
		37.76	7.105	5.308	1,837	0.700	1957	2.056	8.040	190.5	154.7	8.570	1,493	0.817	1.000	1.234	131.9	1
Danish Krony	r, French Fran	s, Norwi	igien Kroner,	grid Swedi	nh Kroner	per 10;	Belgien Fr	was. Yea, B	icudo, Liva	enó Peer	<b>ba</b> par 100.							
E D-MAIN	( PUTURNI	(MM)	DM 125,000	per DM					= 4	APANER	E YML P		(MAQ Yen	12.5 per	Yan 100			
	Open	Latest	Change	High	Los	-	_	Open int.			Open	Latest	Change	_			Bet. vol	Open Int.
Mar	0.6732	0.6734	+0.0001	0.8754			18,804	<b>3</b> ,701	Mar		1.9591	0.9402	+0.0015	0.9427			19,951	79,440
Jun	0.5765	0.6768		0.678			443	3,668	Jun		0.9518	0.9512	+0,0015	0.963	4 D,95	512	505	4,367
Sep	-	0.6796		-	0.87	88	11	t,377	-		-	0.9608	-	-		-		729

Equ central rate.

Mar Jun	0.8263 0.8331	0.8294 0.8363	+0.0032	0.8314 0.8361 0.6435	0.8249 0.2301 0.8415	13,874 305 38	43,227 1,374 93
Sep	-	0.4430	+0.0038	U.8430	U.S4 ID	90	
UK I	NTERES	T RAT	ES				
	OH MO						
Jan St		Over- night	7 days	One	T/mee months	Six months	year One
Interbenk		7 - 6 <sup>1</sup> s	674 - 874	64 - 64 64 - 64	64 - 64 64 - 64	6/3 - 6/3 6/4 - 6/3	6 <sup>1</sup> g - 6 8ås - 8
Starting C		•		64 - 64	62 - 6		-15
Treasury I Sank Bills				64 - 64	65 - 52	6 - SH	
	nority degs.	gla - gla	ولق - ولق	64 - 64	Bl4 - 618	64g - 6/k	61 <sub>6</sub> - 6
	Market depe	5% - 64	6층 - 6층	•	-	-	-
UK cientr	ng bank base	landing rate	e 6 <sup>1</sup> 4 per o	ent from Jai	nuary 18, 19	196	
	•	_	Up to 1	1-3	3-6	0-9	9-12
			month	month	month a	mantris	monds
Cardon and T	fex dep. (£10	0.000	212	532	8	8	4%
			lape, Deposit	S WITH THE 2	tor cash 13sp	R	
Avus lende	r reste of distabl	211 \$.986BDC.	FY3D 10000	man oug. Cu	amor H A M 7	Anc. Raise	ence rate fr
1996. Agre	د مط 1996 من عاديد. د مط 1996 من عاد	lod Fab 26, 1 pn 31, 1986, 1	996 to Mar 2 Schemes IV &	3, 1998, SCN L V 6.440pc.	Fingsice House	to Game Plate	8.5pc tron
February 1	. 1896 <b>E MONTH</b> 4	TERLUIG	FUTURES	(LIFFE) ES	00,000 poin	ns of 100%	
11912	Open	Sett price		High	LOW	Est. voi	Open in
Mar	93,82	93.69	-0.02	93.94	93.88	13335	85188
(um	G4 14	94.11	-0.01	94,17	94.09	20412	76121

FRANC PUTURES (IMM) SP: 125,000 per SF

THRE	E MONTH S					Est, voi	Open i
	Open	Sett price	Change	High	LOW		-
Apr	93.82	93.69	-0.02	93.94	93.88	13335	85186
	94.14	94.11	-0.01	94,17	94.09	20412	7612
un ao	94.15	04/12	-0.01	34,19	94.08	10502	6638
			-0.02	34.03	B3.91	14769	4419
	03.08						
Neit Fran	93.98 93.73 d en APT. AE l	93.93 93.68 Open intenst	-C.03	93.76 previous di	93,64 w.	4240	2533
lec les peder	93.73	93.68 Open intenst	-0.03 \$gs. are for	previous di	y.	%	3233
ini ini ini trade I SHOR	93,73 i en APT. AE	93.68 Open intenst	-0.03 fgs are for (UFFE) CS	previous da 00,000 pc	ints of 100	% PUTS —	3235
ini ini ini tada I SHOR	93,73 i en APT. AE	93.66 Open intenst G OPTIONS	CUFFE CS	previous di	y.	% PUTS —	Sep
in tade:	98,73 d on APT. AE T STERLIN	93.68 Open intenssi G OPTIONS CALL	CLIFFE) CS	60,000 pc	ints of 100	% PUTS	Sep Q.17
lec les peder	93.73 6 on APT. AE T STEPLEN	93.68 Open Interest G OPTIONS CALL ( ) Jul 1 0.43	CLIFFE CS	60,000 pc	ints of 100	% PUTS —	Sep

	SE LENDING RAT	ES %
Adam & Competry	Duncan Lawrie	Royal Bl. of Scotland: 6.22  Singer & Friedlander 6.22  Singer & Friedlander 6.22  Singer & Friedlander 6.22  Singer & Friedlander 6.22  United Bank of Kusett. 6.22  United Bank of Kusett. 6.22  United Bank of Kusett. 6.22  Whiteswoy Laddaw 6.22  Marmbers of London Investment Banking Association  In administration

-		***				
S STEPLE	NG PUTURNES	(MAN) 132,500	be. &			_
Mar		.5058 40.00		1.5092	6,288	50,665
<u>lur.</u>		5040 +0.00		_	15	251
Bap	- 1.	.5020 +0.00	1,5040	-	4	5
DAS EL	INOPEAN	CURRE	NCY UMF	T PATE	s	
lain 31	Ecu cen.	Rete	Change	% +/- from	% apread	DM
	TELES.	ageinst Ecu	an day	cen. rata	V twosfeed	
lands.	182,493	190.20	-0.523	-2.01	4.58	14
<b>Verburband</b>		2,11500	+0.00197	-1.72	4.27	18
Pel glarri	39,3660	28.8296	>0.0299	-1.44	3.07	11
<b>Nestrin</b>	13.4383	13,2797	≈£.0139	-1.16	3.70	9
-	1.91007	1.88850	+0,00192	-1.12	3.64	11
Portugal	195.792	195.75	-0.355	-0.03	2.51	0
Denomark	7.28580	7,30902	+0.00499	0.30	217	-2
200	6,40908	447722	×0.000000	1.27	1.20	-11
	0.792214	0.811860	-0.001839	2.46	0.00	-17
	MEMBERS					
NON ERM	292.867	312.182	-0.348	8.60	-3.86	200
NON ERM I			-2.12	-3.79	1.51	_
	2108.15	2026.42				

fstulkvieti gas	and the same	i (vi) melpi	LINES MAIN IN			9 by 44 ras	
M PHEAT	DEPRE S	E 6/8 OP1	1014 E31	,250 (cent	s per pound		
Stries		CAL	18 -			PUTS -	
Price	Feb			Apr	Feb	Mar	Apr
1.500	1.20	1.5	20 2	.44	0.81	1,85	2.16
1.510	0.67	1.4	<b>6</b> 1 1	.97	1.27	2.17	2.54
1_620	0.34	5.8	90 1	.58	1,94	2.5	3.23
1,530	0.22	0.7	72 1	.22	2.67	3.24	8.00
1.540	0,70	0.4	68 0	1.83	3.55	4.00	4.80
1.550	0.04	0.3	37 E	L69	4,48	4.81	-
	As vol., Carlo 2	,769 Puls 7,	870 . Prev. d	wy's open is	st., Cults 180,	100 Pulsa 2015,	D42
							وحصبي
II THREE	MONTH E	JRODOLL	AR (MM)	im point	of 100%		
	Open	. Friend	Caron	fligh	Low	Est. voi	Open int.
No.	94,72	94,75	+0.03	94,77	94,72	61,851	434,343
Jus	\$5.07	95.11	+0.04	95.12	95.07	22.33	440,444
Sap	95.21	95.25	+0.04	95.26	95.21	57,528	302,622
				P			
B OS THE	ASUNT IN	T WATER		in per i	30%		
Mer	95.19	95.21	+0.04	95.22	95.19	1.481	9.499
Art.	95.51	95.52	+0.03	95.54	95.50	885	6.648
IA ST	m6/6 I	95.50	0.00	0C.05	25.05	-	700

Şер	95.85	95.56	+0.0	3 95	.GE 9	5.65	40	776
it Open is	غ . دولا ( <del>الدامة</del>	o for product	us day					
						•		
					***			
	HARK OP	HONE (L)	FE) DM1	n points	al 100%	·		
Sprika			uls —			— Р	UT\$	
Yice	Feb	Mar	Apr	Jun	Feb	Mar	Apr	وتنال
675	0.08	0.09	0.17	0.21	0.03	0.06	0.08	0,10
700	0.01	0.02	0.05	0.06	0.23	0.24	0.19	0.22
1725	6	0	0.01	0.02	0.47	9.47	0.40	0.41
a vol lo	cal, Çabr 163	66 Puls 533	8. Previous	chy's op	en int., Call	274545	Puin 2680	75
	SWISS FR	ANG OPT		HQ SH	Im points	of 100%		
itriko	-	C/	111S				<b>υτ3 —</b>	
YICE	Me		lun	Sep	Magr		Jun .	Sap
900	0.2	2 0	.26	0.29	0.03	0	.12	0.25
825	0.0	_	.11	0.17	0.15		22	0.36
850	0.00		.04	0,08	0.33		.40	0.54
at to to	M. Carte 25 i	Paris D. Priper	د'رحت عدد	open int_	Calle 8620	Puss 4010	1	

#### GOLD MINES OF KALGOORLIE LIMITED

Notice of Meeting of the Holders of the Gold Mines of Kalgooriie Limited (the "Company") US365,000,000 7% per cent. Subordinated Convertible is due 2000 (the "Bondholders" and the "Bonds" respect

In accordance with the turns and conditions of the Trust Dond desert 35th February 1990, notice to hereby given that a meeting of Bondholders will be held at the offices of Rephest Smith, Eachange House, Premone Street, Landon ECZA 2HS on Friday, 23rd February 1996 at 10,00 am for the purpose of considering, and if thought fit, passing the following ministion which will be proposed on at Europedium Resolution.

#### EXTRAORDINARY RESOLUTION

TELAT this meeting of the holders of the customoding US\$65,000,000 % per cost, Subordinanid Convertible Bonds this 2000 (the "Bonds") of Gold Mines of Kalgoortie Limited (the "Company") consistence by a Triat Deed dissed 20th February 1990 make borwers the Company and The Law Debonate: Triats Corporation p.L.c. the "Triatse" is a usuate for the bolders of Bonds.

(i) breely approved and emotions the Proposals are one in the Notice of this Mouring and the explanatory letter from the Company to holders dised 1st February 1996;

tenaments senter from any consumpt to concern courts for restancy from the house in the configuration to be made to the above Treat Deed (so as so confer on the Trustee power to agree to a sobstitution of the contrary hate whose shares the Boads steep be convereed by a Supplemental Trust Deed, a dealt of which was produced to the meaning and signed by the Chairman for the purposes of interdiffications and linguity and torrace and requests the Company and the Trustee to give effect to that Rentalization by executing the Supplemental Trust Deed and executing and doing all such tierds, meaningents, acts and things as may be necessary to carry out and give effect to this Possition.

Danid this 1st day of Petrosary 1996 P.F. Carr - Secretary By Order of the Bound of the Company

PROCESAL PAYERS AND CHRON BURN ACTIVE

Generale Bank Banque Belge Laminal
3 Montagne da Paus
1000 Branels London EC2N 4AD
Unnet Kingdom

Version:

A Bondholder winking to meand and vote in purson at the Massing must produce at the Massing the Band or Bondholder winking to which he wishes to vote or a valid voting certificate or certificates issued by a Payang and Conversion Agent in respect of such Bondholder and wishing to astend and vote at the Meeting to person may ender deliver his Bondholder and wishing to present whem he wishes to astend on his behalf or give a voting instruction (our a voting further time of the person whem he wishes to astend on his behalf or give a voting instruction (our a voting further foot of the Paying and Convertion Agents set our above I statutation a Paying and Convertion Agent in appoint a proxy to astend and vote at the Meeting on accordance with his instructions. with his instructions.

Bonds may be deposited with any Peying and Conversion Agent or to the satefaction of each Paying and Conversion Agent held to an order or under its control by Cedel Bank S.A. or Morgan Gustamy Than Compute of New York Iss operator of the Entro-clear Systems or any other person approved by it for the purpose of otheraning voting certification or giving voting instructions in respect of the Meeting under 48 hours before the trace fixed for the Meeting, but not these after on the hall they all each instructions are, drawing the person of 48 hours perior to the time for which effecting is convexed, neither revocable my subject to smoothness. Bonds so deposited or held will be released in the conference of the descring (or, if applicable, my adjourned such Meeting) or proposed or the description of the Meeting (or, if applicable, my adjourned such Meeting) or the subject to monthly or the for which the Meeting (or, if applicable, my adjourned such the Meeting (or, if applicable, my adjourned such the Meeting) in convented, the voting instruction reception assert

Dentils of the voting and quomen requirements are entitled in the explanatory letter from the Company to the Bookholden referred to below.

Ballicitations
On the 1-th November 1995, the Company amounced a proposed scheme of averagement ("Science,") with November 1995, the Company amounced a proposed scheme of averagement ("Science,") with November, a company listed on the Australian Stock Exchange, and alterbookers in the Company or weathers of the Normandy Group would become a startholders in Normandy. The energy would come a major mining group of companies and even of the world's largest gold producers. At present the Bouls, are convertible into ordinary stairs of the Company is traveled fluid the rate of 947-711 stairs of A90.05 for each USS.100 of the Bouls. The Company issurated fluid fluid the rate of 947-711 stairs of A90.05 for each USS.100 of the Bouls. The Company issurated fluid gown, to provide undependent advice to respect of the Science and to effect on the Bouls. Bain & Company has recommended to the Company and the Trustee that the terms of the Bouls. Bain & Company has recommended to the Company and the Trustee that the terms of the Bouls and the states of Normandy at the rore of 67-725 ordinary shares of A90.20 for each USS.100 of the Bouls. The proposed modification to the conversion ratio is equivalent to the constalers of Normandy at the rore of 67-725 ordinary shares of A90.20 for each USS.100 of the Bouls. The proposed modification to the conversion ratio is equivalent to the conversion in Normandy shares to be received by GMK shareholders under the Scheme. Normandy has also indicated in willingous to generate the Bouls if the Scheme proceeds and the conversion right is matered.

material.

If the Extraordinary Resolution is proved the Supplemental Deed would empower tha Tractoe of the Bands, The Law Deberture Trant Corporation p.L., the "Transec", in its discretion and without my countries or saccition of the Bondholders, to agree to the substitution of Normandy for the Computery as the company was whose states the Bondholders, to agree to the substitution of Normandy for the Employers and Company and practice, the Transec expresses no opinion as to the mercia of the proposal, However, the Prousee has stated that if the resolution is passed, it is its present interation, band upon the recommendation of Bain & Company and subject to their being no material change in elementations. In extraor the distribution conferred on it to agree to the proposal alternation p the conservation right of the Roads on the territe described above.

details of the proposals are contained in the explanatory letter from the Company to dess referred to below.

Copies of an emplanatory letter from the Company to Bondholders dated 1st February 1996, a recommendation by Bata & Company dated 8th January 1996, and of a report by Gram Samuel & Americane selected to therein will be available for collection by Bondholders at the addresses of the Principal Paying and Conversion Agents and both for the Paying and Conversion Agents are both for the Paying and Conversion Agents are but above. Copies of the Trust Deed, including the terms and conditions of the Bonds, the draft Supplemental Trust Deed referred to in the Extraordinary Resolution set out above, as well as copies of the fact report and sociations of the Company and of Normandy, will be available for impression at the new addresses.

FT CITYLINE FT Call 8171 673 4576 or +44 171 673 4578 (International) for de

TO HOLDERS OF

**DOMUS MORTGAGE FINANCE NO.1 PLC** \$100,000,000

MORTGAGE BACKED FLOATING RATE NOTES **DUE 2014** 

Notice is hereby given that in accordance with Conditions 6(b) and 18 of the Notes, the laster hereby gives notice to redeem \$1,500,000.00 principal amount of Notes, selected randomly as detailed below. The date set for the mandatory redemption is the next compon payment date being. S March 1996, and the Notes will be redeemed at their principal amount plus accrued interest. Payment will be made against surrender of the Notes, together with all appurtenant Coupons maturing after the date set for redemption at the offices of the Paying Agents, named on the Notes. On and after 8 March 1996, the redeemed Notes will ceese to accrue interest.

The amount of any missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid against surrender of the relative missing Coupons within five years from the date of payment. The redeemed Notes will become void unless presented for payment within ten years of the redemption date.

The nominal amount that will be outstanding after the Notes listed below have been redeemed is \$13,300,000.00.

The Serial Numbers drawn for mandatory redemption are as follows: 105 235 260 330 356 379 480 566 590 677 690 750 806 900 927

**MCHEMICAL** 

Principal Paying Agent David | February 1996

#### LOST BEARER SHARE CERTIFICATES

NOTICE IS HEREBY GIVEN that the bearer sharp certificates Nos. Land 2, of BERLANDIA INVESTMENTS N.V. GRASELLE INVESTMENTS N.V. and PRINCEVALLEY INVESTMENTS N.V., all companies incorporated under the laws of the Netherlands Antilles, with registered office at Deg Ruyterlands Astronomy Netherlands Astronomy have been reported as lost either in Paris, France or Geneva, Switzerland on or about August 30, 1995.

Anyone with any knowledge of the present where abouts of these pertitioners is requested to contact the companies at the above referenced address as soon as possible but not the above recently 29, 1996.

If no laformation has been received by February 29, 1996. the companies propose to issue replacement certificates.

- Real-line quotes - Forey data - Over 90,000 issues - News headlines Signal U.S. & int'l data → As law as \$9/day! For more information on Signal, call 44 + 171 600 6101



**FUTURES PAGER** 

POMENTAL PROPERTY OF THE PROPE MARKET NEWS & UPDATES 24 HRS A DAY

FREE 10 DAY TRIAL Freephone 0500 860 456 From outside UK 0171 895 9400

NVESTMENT TRUSTS - Cont.

HOUSEHOLD GOODS - Cont. ALCOHOLIC BEVERAGES BUILDING MATS, & MERCHANTS - Cont. ## STEP PROPERTY OF THE PROPER \$2 week high 363 36 103 60 \*475 | West | Mot | Prof. | Prof. | Mot | Prof. | Mot | Prof. | Mot | Prof. YM Srs PM 32 148 31 178 53 151 27 155 14t 1450 1450 1450 1450 1450 Mark Met Inc. Capture 4762 - 8.356 274.1 129 274.1 129 274.1 129 274.1 129 274.1 129 274.1 129 274.1 129 274.1 129 274.1 129 276.1 129 2 +0" -5 -7 +1 | The control of the 57864 123 44454 456 326 168 630 6564 100 5344 CHEMICALS MERCHANT BANKS, HR Capem 6.31 1952 451.8 257.9 352.4 132.7 348.5 265.2 468.8 253.8 23.8 Price 50 lyst 479 370 487 205 103 148 329 183 184 5132 lyst 5132 l 501-4 418-4 217-4 353-5 343-5 353-5 44-4 906-4-4 61-2 200 BANKS, RETAIL 52 week we Capita 120 是 四种名的 电式光线 电放射性 不可以 "这里下巴拉拉斯" 电电影 医医疗管 斯里斯德森尔奇 A Strict attact flat befittabled in tach Bespecies Bespecies flat best prints by several several several several several ENGINEERING DISTRIBUTORS #317820418445514184666 48567 48567 48567 48567 48567 48567 48567 48567 48567 48567 48567 48567 48567 48567 485 是多名的现在分词的 医克格氏病 计计算 电阻性 经收益的 化苯酚 医拉克格勒 医拉耳氏 医阿拉斯氏 医阿拉斯氏 医阿拉斯氏 医阿拉斯氏病 医克格氏病 医克格勒氏病 医克格氏病 医克格勒氏病 医克格氏病 医克格勒氏病 医克格氏病 医克格克格氏病 医克格氏病 医克格克格氏病 医克格氏病 医克格克格氏病 医克格氏病 医皮氏病 医克格氏病 医克格氏病 医克格氏病 医克格氏病 医皮氏病 医克格氏病 医克格氏病 医克格氏病 医克格氏病 医克格氏病 医皮氏病 医皮氏病 医克格氏病 医皮氏病 医皮氏病 医皮氏病 医克格氏病 医克氏病 医克格氏病 医皮氏病 医克氏病 医克格氏病 医克 \_\_t/C BREWERIES, PUBS & REST 20 mm/s 10 mm/ Agentumb by the hand Brown

3 Ser Occided Over by

41 in 1

3 Ser Occided Over by

42 Agentumb Series 1

43 Series Series 1

44 Series Series 1

45 Series Series 1

46 Series Series 1

47 Series Series 1

48 Series 1 244444 | | **BUILDING & CONSTRUCTION** をのはなるからは、日本のでは、日本 +1 +2 +1 +7 

185 (195 ) 1 71d NAV Pac? 1 22 1576 -1.1 22 1576 -2.2 1 107.4 1.9 2 107.4 1.9 2 107.4 1.9 1 1.3 106.3 11.7 1 10.4 11.6 2.7 1 10.4 11.6 2.7 を持たいのであるというには大力を行うできなってのできます。 のは、1990年のできないのでは、1990年のできないでは、1990年のできないできない。1990年のできないできないできない。1990年の1990年 

Price Price Servents High term and I servents Watersty European ... (W Watersty European ... (W Watersty Int. ... (W) B. .. 

STEPPENT TOUCH

2412 ES -----

rearitati

... ₹...

57

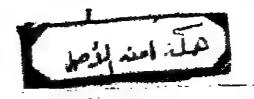
FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 0171 873 4378 for more information on FT Cityline.

For readers phoning from outside UK, please dial 444 in place of the first 0.



INV TRUSTS SPLIT CAPITAL - Cont. Commo Comm. — 8/10
Passanda — 10
Passanda — Brown 「一日本教学!!! は動き!!! | New Series File Control Co TO DESCRIPTION OF THE STATE OF RETAILERS, FOOD 186 Carlon Carlo - 0 2 est 367 267 278 155 851 1475 1475 118 118 INC. COLUMN TO THE TOTAL TO THE BANT TREET THE TANKE OF THE PARTY OF THE PROPERTY OF THE PARTY OF THE Capital Capita ・ 中では、「「いっちからないない」」 十分では、「一十分では、」 **医阿拉斯曼斯巴西西班牙斯斯斯 医双鼻膜网络血**素 等公司馬子司等·山東北京衛司司司 はは Visible trade set to grow on 7th March 1996 SOUTH AFRICANS 무가 내가 뭐하다 を記録の表記の · 本語語 12 sharing ideas and info can visualise the busi seat at the videoconfer Call the world leaders

0131 451 68

And join us at: Gibson

111 PHAMMACSUTICALS - Cool. Sharing

Can visi

Sent at t

Call the

O131

And join

And join O.3 341.8 11.4 Abbot Group ... Commission ... All Abbot Group ... Commission ... All Abbot Group ... Commission ... All Abbot Group ... All Abbot ration without ever leaving their offices. Now you too can visualise the business benefits of videoconferencing by reserving your seat at the videoconferencing event of the year on 7th March 1996. TRANSPORT GLIDE TO LONDON SHARE SERVICE Prices for the London Share Service delivered by PT Eddel, a member of the Pinancial Times Group Call the world leaders in videoconferencing now on: 0131 451 6896 Chairs states.
Closing anti-prices are shown in perce unless otherwise stated. Highe and less are based an intra-day mid-prices over a noting 52 much period.
Where stooks are demonstrated in currencies other than starling, the is indicated after the name. INTESTMENT COMPANIES And join us at: Gibson Holl, Bishopogate, City of London EC2 PictureTel PETALERS, GOVERAL - CONT. Hanner capitalisation aboven to calculated separately for each line of clo quoted. Earnings used in calculations are breed on MAT 'Headley Earnings'form 12 week | Met | Me +80 ### PATE | PATE कि | कि कि | | | रेकर | | रेर कि कि कि कि कि कि | रेर कि | कि कि | Estimated Net Austit Values (NAVIII are alrows for investment Trusts. In partice per starse, allow with the percentage discounts (Det) or promiumit (Pin -) to the current closing share price. The NAVI basic sequences prior sharper at per value, committees convenied and values associated it distant occurs. 》 는 CONTROL OF STATES OF Chatters occurs

Interpret the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously strongly the Stock Exchange Automated Discontine system. GEP/Up and non-UK teached introduce has EAO intermitiposal system. White and trave superior through the seaO intermitiposal system. White and trave superior through the significant free interpretable of the travel and travel superior changes. Interfine such systems passed or recurred. Interfine such systems incurporated or defined.

Public 2 (solid) Oversess incurporated companies, ficind on an approved such and its light of the systems of the systems of the systems.

Interfine state of Stock Exchange and company not subjected to same degree of regulation as light securities. 1.6 361 1.8 361 1.9 251 21 128 4.7 13.9 5.6 13.6 4.7 17.2 5.1 3.4 Auge 4.23) inch incorporated non-listed companies. Price at time of suppersion indicated distributed and indicated distributed yield after pending scrip end/or rights new Murger bid or reorganisation to progress Forecast dividually spekt, plu based on counlegs applicand by late, trapmin statement, (Immegulated codecative investment substate.) Market Parket Pa a Yield based on amusicad divident of the Pipures hand on prospectus or other official estimates for other official estimates for yield place stop based, an assumed divident of yield place stop based, a Rasumed divident of yield place stop based, a Rasumed divident of yield place stop based on predicting yield great placed on predicting yield great placed on prospectus or other official estimates for section of yield placed on prospectus or other official estimates for section of yield placed on prospectus or other official estimates for section of yield placed on prospectus or other official estimates for section of yield placed on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield, yield placed on prospectus or other official estimates for section of yield, yield placed on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield placed on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield, yield based on prospectus or other official estimates for section of yield placed on prospectus or other official estimates for section of yield yield, yield based on prospectus or other official estimates for section of yield yield, yield placed on prospectus or other official estimates for section of yield yield, yield yield, yield yield, OIL, INTEGRATED ٥٠٠٠ مايي ماميل المالية المالية مارية مارية مارية المارية المارية المارية المارية المارية المارية المارية المارية SUPPORT SERVICES 的。 1925年11月20日 1955年 1952年 1956年 1957年 1958年 19 OTHER FINANCIAL Appendix no Transfer of American Section 1 12.5 Berry Birds 1 12.7 Berry Birds 1 12.7 Centres 3 FT Free Annual Reports Service
You can obtain the current annual/interim report of any company annotated with \$. Please quote the code FT4614. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability.

Both Annual Reports and FT Company Focus are available from the above number.

■ ET Company Focus LEISURE & HOTELS Price 43051, 486 4211 1777 2289 545 11-2 228 Aircours Across

Bookers Across

Across available from the above number.

The Transity Focus

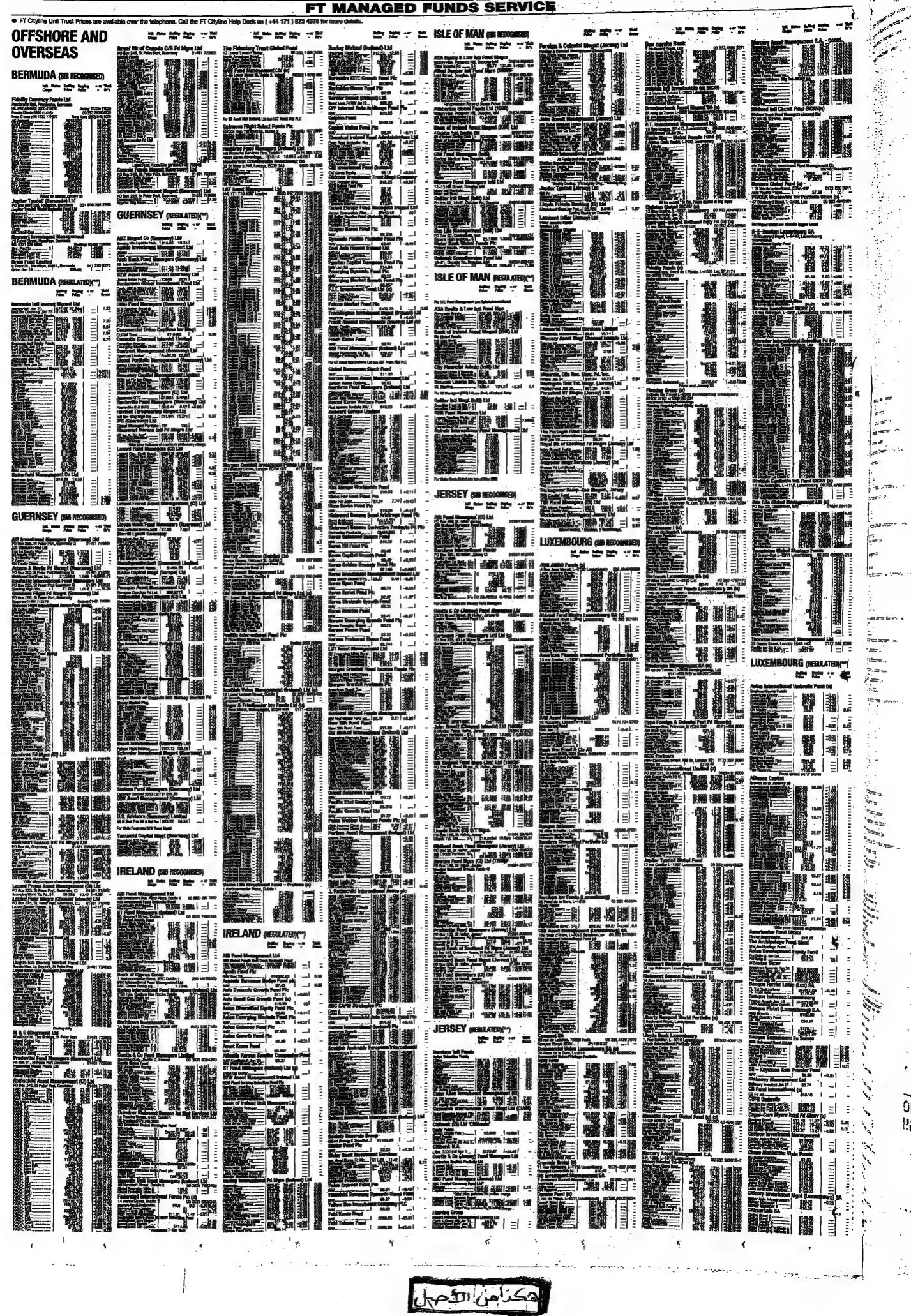
Comprehensive 10-14 page report available on this company, containing key FT stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, belance sheet and profit and loss data, plus recent Stock Exchange announcements for £6.45.

To order, call 0121 200 4678.

Reports published by ShareFinder Ltd.

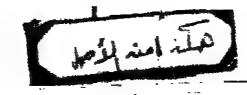
LONDON SHARE SERVICE

OF III





. 10



FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline	FT MANAGED F	UNDS SERVICE	
Gian European Assat Value Fond Merrill Lynch Ayest Management Control of the Cont	Sulling Regions - 17 World Schiller Berling - 17 Marie Price Pales - Bealt Pales Refer - Enant	Softing Busing -or Yes. Busing Ampling -or Yes. Busing Ampling -or Yes. Capital International Global Reset Management - Capital	Marocitae Emeruine Milds Minet (Jersey) Ltd. Republic Fands
New Jan 19	Stary's Chambran, the of term  Robert Smith.  Rober	College (consistent Front   Limited   Limited	Magetian Emerging Milks Mingt (Jersey) Lid  Magetian Frends  Magetian Frends  Magetian Frends  Magetian Frends  Milks Milks Milks Mingt (Jersey) Lid  Milks
Hande Arts Can be not set 1 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$		Columbras Associa Montagement Lini Columbras Associa Montagement Lini Columbras Associa Montagement Lini Columbras Funda R.V.  Colum	Schroder Investment Highert (Singapore) by Harmities Fund Ltd  Leys that Fund Harmy State (Singapore) by Harmities Fund Ltd  Leys that Fund Harmy State (Singapore) by Harmities Fund Ltd  Leys that Fund Harmities Indiana Ltd  Schroder Ann Sh. 167 75 8.97
Commission of the commission o	Company from Care Part 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Crossby Asset Management Lid Coastroomy May 77, Strong Company Coastroomy May 77, Strong Company Coastroomy May 77, Strong Coastroomy May 77, Strong Coastroomy May 77, Strong Coastroomy May 19, Strong	Momentum Asset ligam.  In the Account of the Company of the Compan
The First Koran Scruder Componing Fund Mit Day 31.  Planting Group Residue Fund Res	Amendment to the large intercent of the control of	Dynamic Hadge too  Dynamic Hadge too  Edd Guersans Feed Laf  Edd Gue	Bacth Attarrio Management Co. Life Corpose Card Herrin Star Found Hamagement (Dayman) Lia Decrino Card Decrin
HYPO Capital Night invest Landshoury & A  Service Secretion  Service Secretion  Service Secretion  Service Secretion  Service Selection of the  Service Selection  Service Service  S	Secretary Free Secretary Company Compa	Burrope 1982  First 7 Section Flamman Survices  Margin American Land Survices  Margin Land Land Survices  Margin Land Land Land Survices  Margin Land Land Land Land Land Land Land Lan	The The Bland Place  Place of the County of
Loyds Sank Laxembourg (d) Leyds Sank Laxembo	The Margin Laminary  The Margi	Format Execution Panel  Instruction Format Life Secretary   February   February Secretary   February Secretary   February Secretary   February Secretary   February   February Secretary   February   February Secretary   February Secretary   February   February	Street Record and St.
See 188 188 188 188 188 188 188 188 188 1	Personal Communities 51 (0) 1 (00)  To assist in revision flows to the control of	Committee of the Commit	Prospect Asset Management (CD Ltd Prospect Four Cl Management (CD Ltd Prospect Four Cl Management (CD Ltd Prospect Managem
STATE OF THE PRINCIPLE	Marketon S Peter	Bert Carrier Bands Landstein 1987 La	The long personnel Dill.  By 3

.....

### Global rate cut optimism continues to lift shares

By Stave Thompson, UK Stock Market Editor

The prospect of another series of global interest rate cuts helped to propel the FT-SE 100 index to an all-time closing high yesterday.

Although there was no hard and fast news when London closed for husiness, the market was looking for a reduction of at least 25 basis points in the US Federal Funds rate. And there were hopes that a cut by the Federal Reserve could encourage the Bundesbank to reduce Germany's discount rate by at least the same amount

A move by the Bundesbank to lower its repo rate by 15 basis for UK equities, however. Wall

points, the third reduction in as Street's advance on Tuesday even-many weeks by the German central ing, which took the Dow Jones bank, was taken very positively by international stock markets.

At the close of one of the busiest trading sessions for many weeks, the FT-SE 100 settled at an all-time closing peak of 3,759.3, up 24.0 on the day, while the FT-SE Mid 250 index gave another strong performance, adding 29.8 at 4.125.0. Dealers made the point that the

FT-SE Mid 250, which has underperformed the FT-SE 100 over the past 18 months, is now within striking distance of its record peak, 4,152.8, which it hit on February 3, 1994. It was by no means plain sailing

Industrial Average up 76 points to vet another all-time high, saw London's marketmakers hoist their opening prices for the leading UK

Consequently, the Footsic started the day 22.2 higher, but then encountered various pockets of resistance, which began to erode the market's confidence.

News that the Elf-Enterprise joint venture had sold its 12.9 per cent stake in Enterprise Oil, some 67.7m shares, to a trio of brokers, who quickly placed the stock with a variety of institutions, belped to drain the market's liquidity.

There was also some alight disappointment in the market with the outcome of the Ethn auction of gilts, although some dealers said that the cover of almost two times was better than had been expected.

Gilts had made limited progress during the early part of the morning posting gains of between five four, the French retailing group, and seven ticks, but ran out of may be considering the sale of its steam after the auction news was

Initial indications from Wall Street added to the gloom in London, and the Footsie came back to register its lowest level of the day, 3.739.2, shortly after US markets opened. The Dow posted an early 20-point fall but then began to claw

some £90m of capital and pur-

sue its interest in an overseas

Vodafone, the mobile phone

group, rose 7 to 237% p as Hen-

derson Crosthwaite, the agency

broker, issued a strong recom-

mendation. The agency broker

helieves that Vodafone will

boom its subscriber morders to

Cable and Wireless gained

Electricity

11% at 444%p on expectation

that a new chief executive will be announced very shortly.

sparked 35 higher to 719p on

talk that the utility might

be the next bid target in the

The German government's

sackage to boost growth and

obs, announced on Tuesday,

together with yesterday's

reduction in the repo rate,

combined to boost construction.

stocks exposed to the German

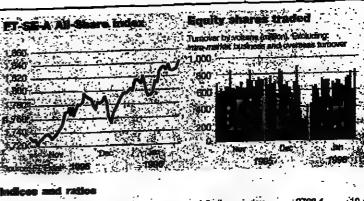
4m by March 1997.

Yorkshire

its way back, eventually moving into positive territory as London closed and imparting late strength to the FT-SE 100

BSkyB topped the Footsie performance league, attracting keen interest ahead of next Tuesday's interim results and amid hints that Carrestake in the satellite television company to Sony, the Japanese electronics giant

Turnover in equities at 6pm topped the 1hn-share mark, eventually settling at 1.04bn shares, with Enterprise Oil accounting for 15 per cent of the total. Customer business on Tuesday was valued at £2.08bn.



Indices and ratios FT-SE 100 3759.3 +24.0 FT-SE Mid 250 4125.0 +29.3 FT-SE-A 350 1868.0 +12.2 FT-SE-A All-Share 1841.96 +11.34 FT-SE-A All-Share yield 3.71 (3.73)	FT Ordinary index 2768.4 FT-SE-A Non Fins p/e 17.12 FT-SE 100 Fut Mar 3762.0 10 yr Gilt ylekt 7.48 Long gilt/equity yld ratio: 2.13	+10. (16.88 +11.1 (7.43 (2.11
Best performing sectors  Building Mats	Worst performing sectors 1 Oil Exploration	1.5

FUTURES AND OPTIONS

3776.0 3761.0

IN 197-BE 100 INDEX FUTURES (LIFFE) 525 per full index point

3763.B

Open Sett price Change High

IN FT-RE MED 250 PROJEK FUTURES (LIFFE) £10 per luit index point

4135.0 +25.0

W FT-RE 100 UNDEX OPTION (LIFFE) (3750) 210 per full index point

EURO STYLE FT-SE 100 RIDEX OPTION (LIFFE) 210 per full index point

+10.0

+10.0

Alcholic Beverages

431<sub>2</sub> 8 77 86 31 941<sub>2</sub> 95 311<sub>2</sub> 1221<sub>2</sub> 821<sub>2</sub> 1421<sub>2</sub> 1311<sub>2</sub> 172

TRADING VOLUME

Est. voi Open int :

### Hanson takes a

at Hanson's plans to demerge and did not like them. Then it took a look at other potential break-up candidates and decided it did not much

like them either. achieved on Tuesday, as US investors took a dim view of the financial benefits that can be accrued from the international conglomerate's four-way

Dividend prospects are being questioned and so is the valuation of the company. Hanson fell 9 to 2024p with 61m traded, while comparable UK companies Tomkins and BTR

#### Enterprise deal

Enterprise, the oil production and exploration company, fell almost 3.5 per cent as a near 13 per cent stake was

Three leading brokers took Elf created four years ago.

merzbank, of Germany, sold the shares in a "bought deal", one of the most risky aspects of stockbroking. In a bought deal, brokers bid for shares and take them all on to their books. There is usually no time to pre-place shares and the risks involved are factored into

a sharply discounted price.
With Enterprise Oil, the shares were taken on at a discount of more than 20p to the prevailing mid-price. Most of the shares were successfully placed at 364p and the underlying price dipped 13 to 368p

while turnover rose to 161m. Analysts said that, in the long term, Enterprise would benefit, as investors had been waiting for the shares to be sold for some time and the expectation had dampened down the price. However, in the short term, the sale is expected to have soaked up much of the appetite for stock.

#### Glaxo active

Pharmaceuticals giant Glazo Wellcome moved forward 28% to 961%p on substantial turnover of 13m shares in the wake of heavy buying in the US.

New York buyers were stimulated by news from Merck that its Aids treatment was highly effective with a cocktail that includes Glaxo Wellcome's It gave US investors, who

now hold around 7 per cent of the pharmaceuticals giant, compared with more than 25 per cent a few years ago, an excuse to pick up stock. Glazo is trading at a dis-

count to its US counterparts but UK analysts were surprised that the news from Merck would have an impact. They said the statement was news is that it could release based on a very small study. and long term worries over the patent expiries of Glazo's key products - Zeneca and Zovirax were still very real.
News that Halifax has

decided to sack Sun Alliance as its main house insurer and replace it with Royal Insurance prompted fierce two-way dealing in both insurance stocks. Royal rose 7 to 385p on the news and Sun fell 7 to 370p. Analysts said the good news for Royal was that it had

secured a long contract in an area where it excels. However, the had news was that the margins imposed by Britain's big-gest building society are painfully tight. A number of analysis were advising clients to sell Royal shares yesterday. For Sun, the bad news is that it will need to disband its Halifax operation and deal with 200 staff who no longer have a dedicated function. The good

#### FINANCIAL TRUES DOINTY INDICES

	Jun 31	Jen 30	Jan 29	Jun. 26	Jan 25	Yr ago	"High	Low
Ordinary Share	2768.4	2758.0	2788.A	2786.3	2765.6	2286,A	2786.2	2238.5
Ord. div. yield	9.79	3.51	3.90	8.91	3.92	4.57	4,73	3.79
P/E ratio net	17.70	17.00	16.67	15.62	16.58	17.67	21.38	15.35
P/6 netto nili	16.67	16.78	16.46	16.41	16.57	16.74	22.21	15.17
Tor 1985/98, Oxfo	my Store	index sing	e complet	lent Nigh S	7962 18	01/86; low	48.4 35/6	46. Dass
Date: 1/7/95.	,	_		-				

Ordinary Share Nously Open 8.00 10.08			13.00	14.00	15.00	18,00	High	Low
2772.7 2767.5 2770.7	2765.0	2761.2	2750.6	,2759.1	2757.6	2760.7	2773.0	2755.4
	Jan 31	Jan	30 .	Jan 29	Jen 3	N 36	n 25	Yr ago
SEAQ bergains	38,600	32	879	35,972	33,1	H 3	0/175	20,707
Equity turnover (Emilt		- 20	27.2	1463.5	5015	5 2	485.0	10734
Equity bergains†		37,	886	40,313	36,4	15 4	1,409	27,445
Shares tracked (mitt		. 2	30.0	593.8	804	7	779.1	825.1

E London mer	hat da	b			
Fibres and falls' Total Rines Total Pells Same Jen 31 "Date based	780 909 1,515	Total Highs Total Lows	229 28	LIFFE Equity options Total contracts Calls Puts 1 Share Service.	41,247 24,533 16,714

derived about 50 per cent of profits from Germany, was mong the day's best performers in the Footsie. The shares put on 14 at 399p. RMC Group, with an even bigger chunk of profits derived from Germany, was also wanted and the shares jumped 30 to 1026p. Pilkington was the other PT-SE 100 constituent in the

sector to move sharply ahead, adding 6% at 198%p. In the PT-SE Mid-250 index, building materials and plasterboard group BPB Industries was boosted by the same senti-ment and ended 10% higher at-

A positive statement from Scottish & Newcastle that accompanied a briefing for analysts belped the shares gain

to 634p, in trade of 3.4m. Greenalls Group, the newest constituent of the premier FT-SE 100 index, gave up 12% to 596p on profit-taking. Shares in Whithread rose 8

to 705p as the group hosted a. round of briefings for analysts. A profits warning from Lincat, the catering equipment manufacturer, sent the shares

down 37 to 251p.

Property and shipping giant P&O ran into profit-taking and retreated 12% to 548%p. Stagecoach Holdings, which on Monday announced the acquisition of GM Buses South, the South Manchester operator, in a £40.7m deal, remained in favour and the shares gained a further 5 to 380p.

Aero engines group Rolls-

Redland, which last year investors to buy Farnell Electronics, which earlier this month announced that it is purchasing Premier Industrial Corporation, of the US, in a

£1.85bn deal. The shares rose 9 to 646p following the recommendation. Analysts at Henderson said: In our view, Farnell Electronics's merger with Premier Industrial is a brilliant industrial deal, offering numerous opportunities for revenue growth and cost savings without a large degree of commercial risk.

The market appreciated Ti Group's sale of three of its noncore engineering businesses for £44m. The shares rose 9 to 487p. Hopes of improved sales in Germany for British Steel helped the shares harden 4% to 171%p. Volume by the close had reached 7.5m.

Williams Holdings appreciated 7 to 341p after SBC Warburg reiterated its buy stance on the stock. The broker highlighted the stock's attractions, saying it expected good growth from the fire protection and security products markets.

MARKET REPORTERS

	LO	70	DO	K PE		et i	BOUES: EC		1				
			Ast	Mid.	. :	٠.		Close					
	prio	•	أأنعم	OND	1986	796		price		Net	Div.		
	P	•	up_	<b>En</b>	High	Low	Stock	P	4/-	_dh≀.	oov.	yid	
		-	EP.	6.26	. 8b	- jst	Bullyriday	6				_	
					125	115	Century Iron	120		_			
			F.P.	14.8			†Drnatek	. 76				-	
	- :	-	F.P.		1 18	73	Jupiler Spiff City	85 2		'=	·= .	-	
•		-	FP.	· 53.8	101	- 98	Jupiler Spit Inc	9812		10.24	_	9.2	٠
		-	FP.	89.0	299	: 258	Jupiter Soft Uni	a		7.24	-	0.2	
		=	F.P.	36.6	1 66	- 86	Machilley	. 96	-2	Lx0.96	_	.1.8	•
		_	F.P.	``O.#3	*	. 8	1Nths Pirim Wit			-	) = :	-	
		-	F.P.	1,15	.105	100	** Pevalution P'di	by 106		-	` -	. =	
		-	F.P.	3.00	1 80	88	19alf Seeling Sy	et \$5	_	-	,	. =	
		-	P.P.	0.97	7 a	. 6	Skyel Traine. Y	ha . A	44	-	,=-	-	
		=	F.P.	6.00	200	126	Wewlon	200	+10	. =	_	-	

Boyce hardened a penny to 204p. Henderson Crosthwaits favours the stock and vester-	- F.P. 6.00 † Affective Investment State Service notes.								
day issued a buy recommenda-	FT GOLD	MINE	SI	NDE	X				
tion and set u medium term - share price target of 240p.	. 2					Stroom div			egok Low
Mr Brian Newman at the broker said: "The Rolls Trent	. Orbit Tilbert Index (27)				1006.01		-	2225.40	
engine has major technical	Africa (16)	3206.12	41.1	9175.11	2435.10	2.82	35.40	3222.22	2272.74
	Antiriale (5)		-27	2790.86	2060.03	211	42.11,	2790.86 2021.98	1788.20
	Copyright, The Financial Titims Limited, Figures in	Times Lin	<b>rèsal 19</b>	86. TT G	leid Miran	Index" (c	a tradema	rk of The	Francis

31/12/00. † Purchal, Labout primes were Unwallable for this editor 15.68 8.63 19.22 20.10 18.59 21.54 16.58 5.26 18.60 4.47 21.93 3.23 19.50 3.34 16.80 5.13

### tion and set a medium term share price target of 240p. Mr Brian Newman at the broker said: "The Rolls Trent engine has major technical advantages over the competition and will emerge as the airlines' first choice on the Bos-The same broker also urged +0.6 3725.3 3784.6 3734.7 3017.8 +0.7 4095.7 4099.1 4085.8 3377.7 +0.7 4096.5 4022.5 4089.9 3388.3 +0.7 1855.8 1854.8 1854.8 1556.1 +0.6 1880.1 1854.1 1857.4 1850.2 +0.7 1856.1 1860.7 1856.8 1481.5 +0.2 2015.12 2013.76 2012.72 1708.90 +0.1 1998.12 1987.36 1986.39 1699.21 +0.6 1630.82 1639.89 1829.38 1490.41 2.07 1.76 1.82 2.01 1.82 2.82 1.83 1.92 2.00 3.56 3.70 3.78 4.61 2.85 3.11 3.34 3.71 3.63 3.66 3.77 2.02 2.66 1.95 1.48 AG 2 3210 80 3217 32 3195 16 2641 78 10 MINERAL EXTRACTIONS

The last supplies on the Parketine									
20 GEN INDUSTRIALS(276)	2035.85	+0,4 2027.25 2	015.90 2013.11	1781,27	4.06	1,86	18.62	1.18	1093.9
21 Boliding & Construction(34)	1067.66	+1.3 1053.55 1	050.98 1049.90	948,06	3.75	2.18	15.40	0.36	679.92
22 BLASTIC HARM & MINISTERS	1873.67	+2.5 1827,89 1	822.06 1818.96	1691.97	4.00	2.03	15.40	0.61	930,16
28 Chemicale(23)	2446.77	+0.8 2428.00 2	426.61 2420.31	2192.66	4.01	1.87	16.70	0.81	1139.8
24 Olversified industrials(21)	1824.84	-1.5 1852.31 1	815.60 1820.21	1752.13	5.41	1,43	16.16	.1.99	998.88
26 Electronic & Elect Equipment	2271.38	+0.3 2264.94 2	268.54 2264.57	1823.24	3.19	1.98	20.01	1.56	1166.10
26 Engineering(71)	2259.83	+0,7 2244.16 2			3.30 .	2.24	10,92	1.32	1358.43
27 Engineering, Vehicles(15)	2600.04	+1.A 1603.65.2			3.88	1.26	25.58	0.23	1346.1
28 Paper, Polig & Printing(26)	2651.39	+0.8 2631.27 2			3.76	2.53	18.14	0.39	1087.72
29 Textile & Append(10)	1498.0?	1497.32 1	504,10 1500,48	1454,71	4.85	1.79	15.02	0.00	898,48
30 CONSUMER GOODS(81)	8716.90	+0.9 3583.17 36			3.89	1,7%	19,09	7.77	1351.57
32 Alcoholic Beverages(3)	2808.47	-0.8 2831,14 25			4.33	1.78		28.48	1003.77
33 Food Producers(23)	2834.39	40,4 <b>202</b> 4.06 2			4.07	1.74	17,66	4.53	1170.40
34 Household (Scools(15)	2841.59	-0.4 2652.86 2			3.51	2.15	. 15.11	1.39	992.34
36 Heelth Care(20)	1910.86	-0.5 1920.59 19			2.88	1.76	28.51	2.08	1148.50
37 Pharmaceuticals(13)	. <b>5338.90</b>	+2.0 5235.01 5°			3.07	1.89	24.D4	0.05	1783.15
\$6 Tobacco(1)	4951.23	+1.0 4900,40 45	924.17 4832.64	3707.00	4,84	1.84	13.30	0.00	1197.85
40 SERVICES(264)	2307.16	+0.6 2292.35 22			2.98	2.11	19.99	10.46	1187.70
41 Distributors(32)	2624.59	40.2 2819.91 28			3.85	1.79	19.17		955.23
42 Leisure & Hotels(25)	2794.80	40.5 2781.21 25			2.88	1,94			1486,36
43 Media(46)	3713.46	+1.A 3661.16 36			210	2.22	25.84		1331.79
44 Retailors, Food(15)	1995.87	+1.0 1978.43 19			3.66	2A1	14.19		1250.00
45 Retailers, General(43)	1935.86	<b>40.1 1833.12 1</b> €			3.07	227	17.99	2.01	1092.43
47 Brewarles, Pubs & Rout (24)	2947.19	+0.9 2919.46 25			3.35	2.0B ·	17,93		1403.80
48 Support Services(49)	1945,71	+0.4 1938.95 19			241	251	20.71	1.81	1226.12
49 Transport(21)	2330.08	-0.3 2338.01 23	125.05 2304.07	2156.94	3.72	1.39	24,17	1.17	357.38
60 DEFEEDO	2412.40	+0.9 2390.81 23			5.13	2.02	12.09		1020.13
62 Bectricity(15)	2703.55	+0.4 2692.96 26			5.12	2.62	9.33	102.23	1307.29
84 Gas Distribution(2)	1590.46	-0.A 1596.37 18			7.53	1.04	75,95	0.00	797.96
86 Telecommunications(?)	1971.10	+1.9 1833.49 19			4.28	1.74	16.75	0.00	892.18
(B) Water(12)	2075,75	-0.3 2081.26 20	285,11 2083.48	1575.05	5.87	2.61	Q.15	3,61	1125.66
69 HON-FINANCIALS(MIS)	1943.20	+0.5 1930.79 19	28,45 1923.62	1817.35	3.75	1,94	17,12	6.89	1454.40
70) FENANCIALS(100)	2952.78	+0.5 2938.65 20	58.92 2976.00	2082.09	3,83	2.32	14.05	0.52	1247.24
71 Herrico, Flocalità	4223.01	+0.6 4197,10 42	242.14 4281.73	2717.71	3.54	2.80	13.55	0.00	1363.73
72 Banks, Merchands)	3558,17	+0.5 3639.20 35	26.29 3521.25	3095.18	2.62	241	19.82	0.00	1115,48
78 Insurance(84)	1425.16		37.53 1442.54		5.11	2.89	8.09	0.08	1045.28
74 Life Assurence(5)	3476.18	+0.8 3453,94 34			4.01	1.53	20,34	0.00	1416.20
-77 Other Phanchar25	2441.63	+0.8 2422.08 24			3.88	1.87	18.27	0,44	1369.23
79 Property(41)	1452.88	+0.5 1445.62 14	47.08 1459.85	1367.00	4.28	1.32	22_14	2.51	882.62
SU BIVESTMENT TRUSTS(127)	3145.85	+0.5 3131.82 31	24.33 31 19.14	2570,06	2.12	1.05	56,1B	4.15	1090.18
80 FT-SE-A ALL-GHARESOS)	1841.96	+0.6 1830.62 18	29.69 1829.35	1490.41	3.71	2.00	16,90	5.13	1534.68
FT-SE-A Fledgling	1139.35	+0.2 1137.43 11	36.81 1138.55	985,55	2.97	2.20	19.73	2.31	1179.45
FT-86-A Fledgling at inv Trusts	1135.16	+0.1 1134.04 11			3.28	241		2.37	1174.29
• • • • • • • • • • • • • • • • • • • •	-				,		-4,30		1174.28
-		4.5							
I Hourly movements									

	Open	2.00	18.00	Ť1.00	12.00	13.00	14.00	15,00	16.10	High/day	Low/day
TI-SE 100 FI-SE Mid 250 FI-SE-A 350	1885.8	3752,3 4111,3 1863,9	3756.8 4113.9 1865.9	3750.3 4114.8 1963.5	3748.1 4117.1 - 1862.1	3745.8 4118.7 1982.1	3744.9 4118.9 1961.8	3740.8 4117.7 1860.1	3750.0 4122.2 1884.1	3759.3 4125.0 1889.0	3739.2

ı							14044	,1746	. sérne	IIQ, TQ		Presidue	Channe
	Side & Control Phenomeration Water Burks, Retail Additional informati	1078.0 5259.6 2079.0 4267.6	1079.3 5292.7 2079.3 4286.4	1078.8 5274.0 2079.3 4268.6	1080,8 5262,0 2076,9 4255,3	1085,8 5251,3 2073,6 4247,5	1088.1 \$251,3 2070.0 4250.0	1089.1 5247.8 2068.5 4250.3	1988.0 5238.2 2065.8 4247.1	1086.1 5249.3 2066.9	1087.1 5279.8 2048.3	1086.5 5176.5	+20.6
ı	AND DESCRIPTION OF THE PERSON		1.1.00	وخواست		20 m ///	काला मा द						

# dive

The market took a close look

Hanson lost all the gain

shed 5 to 276p and 4 to 331/sp respectively.

BAT Industries was also weaker for a while, but the cash generative aspects of tobacco, and the fact that BAT's sales are mainly in emerging markets where there are few regulatory worries. saw the shares bounce to close 5% up at 584%p.

placed in early trading.

on the 60m-share holding from Enterprise's joint venture with Cazenove, BZW, and Com-

This announcement appears se a matter of record only.

### GLENCORE

US \$500,000,000

**Medium Term Revolving Credit Facility** 

Chase Investment Bank Limited

J.P. Morgan Securities Ltd. Union Bank of Switzerland

Senior Lead Managers ABN AMRO Bank N.V. Banque Nationale de Paris, Agence Negoce International Banque Paribas, Paris **BHF-BANK Aktiengesellschaft** 

Credit Lyonnais Credit Sulsee Dresdner Bank Luxembourg S.A. Société Générale

Barclays Bank Plc ING Bank N.V. Rabobank, London Branch Standard Chartered Bank

Banque Indosuez Caisse Nationale de Crédit Agricole-Crédit Agricole International (CNCA-CAI) De Nationale Investeringsbank N.V. National Westminster Bank Pic Swiss Bank Corporation (SBC) Geneva

> Banca Monte dei Paschi di Siena SpA, London Branch Bank of Tokyo (Schweiz) AG Bayerische Vereinsbank S.A. (BV France) Trinkaus & Burkhardt KGaA, Düsseldorf

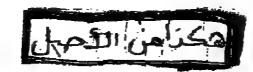
Participants Bank Julius Baer & Co. Ltd. Banque Cantonale de Zurich Luzemer Kantonalbank, Luceme Westdeutsche Landesbank Girozentrale, London Branch Staal Bankiers N.V.

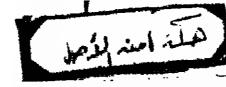
The Chase Manhattan Bank, N.A.



J.P. Morgan







WORLD STOCK MARKETS  -/- High Low Yid P/E -/- High Low Yid P/E -/- High Low Yid P/E Solven -/- High Low Yid P/E
# 1 Man Low We Bit
Birch 7/440 +00 7/600 1500 56 6 1 1000 1100 1100 1100 1100
Habita 11 445 436 Select 7,390 +10 7,3
Amer 7 10 00 10 00 0 0 0 0 0 0 0 0 0 0 0 0 0
PRANDE (Jan 31 /Frs.)  The property of the pro
Segre 517 -40 1985 105 127 -20 1985 105 12
Name   Part
Special property   1998   19
Norman, 4 Toronto, (c) Closed, (a) Unovalishin, 1985/DAX management of the control of the contro

Is •

t **)**a

apital
dis is
k after
n.
is an
to be
Stock inaged ement. ondon. Inter. 1-based zgent,

expec. 28.5m). 47 last is set s taken Scott, ald the sed was xpecta-le is at viously invest-

ourism, ure and as. Mr invest. dy.
be US
a Gran
arketed minated It to fail on the n) was title. marketneularly 1V 5U7 delation rress to

arburg. merger oration. delayed atton of one of ionestors spun off mintag ational. :de 2 50

3 JOID! i invest: narketed n investthe units
each conwith one
They are est after

⇔ 8260ம agement. ng equity re exotic which ed stock auth affilintry with the Bela nened in a, and the launched with just ri Beirui ement is anon fund

cent. The rate of of on year to the rise a sharp rings from it of Som in the first constant of some of previous a character reflect the

ted negas at first. chume the , at \$50° as \$75. vap

ıld "estab

intermedithis trans
he world al mining to achieve ives more be possible ation. or is trans-São Bento which pro-

which pro) ounces a
exploration
projects in
on/develop
urkey; five
ment propnerica and
n rights to
e Gencor
cterial oxi-

**門間 みれかみかき よ** 

· ·

ψķ

444

经上海 的 的名字子 人名英格兰人名英格兰人名

物华

10. 1/2 See Sept 1 Sept

- D -

Hamman High (nor Want Still, 1114; Cathor 6814; 1114; Cathor 6814; 1154; Cathor 1129; 11 Commonts 1129; 11 Common 1129; 147; Cycare Syn 274; 110 Cycares 1221; 244; Cycare Syn 78; 214; Cycares 78; 214; Cycare

のとなるなななななななな よ | Table | Tabl 2.8 8 9 10<sup>2</sup>y 5.0 16 290 19<sup>5</sup>y 1 285 1<sup>5</sup>h 1 285 1<sup>5</sup>h 1 285 1<sup>5</sup>h 24 7376 22 24 7376 25 2.8 13 247 17<sup>2</sup>y 24 7376 25 2.8 13 320 8<sup>5</sup>y 1.4 11 1842 43<sup>5</sup>h 2.8 19 1450 175<sup>2</sup>h 2.8 19 1450 175<sup>2</sup>h 2.8 19 1450 175<sup>2</sup>h 2.8 19 1450 175<sup>2</sup>h 6-12 Admini Son 1-17-2 Admini Soy 100-2 Admini 1-15 Admini Soy 1-16-11 Admini Soy 1-16-11 Admini Soy 1-16-11 Admini Soy 22 Admini Soy 22 Admini Soy 24 Admini Soy 25-11 Admini Soy 35-11 Admini S 274 23 24 414 304 104 104 104 104 104 0.92 0.18 0.03 0.40 0.40 0.48 0.04 0.80 2.20

غوي غفيفه وغيثيرين خوخوديثين فوجودي ميز لن غفة

• B -

CORINTHIA PALACE

HOTEL

When you smy with us in VALLETTA (Maltn) stay in touch - with your complimentary copy of the

FINANCIAL TIMES

- C -

20% 20% UF. Heinig
24%, 15 Dalins Sun
35% 21% Dam
34% 26% Damid Sun
35% 21% Damid Sun
35% 25% Damid Su • E •

60 80% GREET, 1.875
64% 40% SACE NO.
64% 40% SACE NO.
64% 40% SACE NO.
71% THE PLANE IN
71% SACE NO.
71% THE SACE NO.
71% THE

- **F** -17- 17- PN Issuer
187- 17- PN Is

Silly 17th James 19
Silly 17th Jackson Str.
17th Jackson III
2 7th Jackson III
2 7th Jackson II 

大大大大大 小 四十七十 ### 18 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ### 19 | ###

## 1824, Rich Comp
## 487, Renco
## 487, Renco
## 387, Ren

- M -

25½ 16½ AL Corp
12 8½ ROCTohem
12 8½ ROCTohem
12 8½ ROS Chelen
27 3½ Res Resety
25 13½ Response F
10½ 25½ Response
12 14½ Response
14 12½ Response
14 12½ Response
15½ 35½ Response
15½ 15½ Response
15½ 1 

51. 11.2 LA Character 12.5 LA 7742 55-2 MEM for 246-5 187-2 MEM for 246-5 187-2 MEM For 317-4 MEM FOR

200 Pro-200 Pr

七七七七十七八

人名马比古诗

\*\* \*\*

经在特日与福州班内经与外

44

--

さいうちのはなる さちち

中心中心中心中心中心中心中心中心

中文本語なる

ولب

なないるとうなる

43

1985/85
1986 Law Stock
6234 42 Nacor Coxp
1835 1444 MA Coxp
1836 1244 MA Coxp
1836 1254 125 Norvest M1
1242 125 Norvest M1
124 125 Norvest M1
1842 145 Norvest M1
1842 145 Norvest P1
1854 13 Norvest P1
1854 13 Norvest P1
1854 15 Norvest P1
1854 15 Norvest P1
1854 15 Norvest P1
1854 15 Norvest P1
1855 Norvest P1
1855 Norvest P1
1855 Norvest P1 ## % E tobs Heb Lave

0.20 5.216 3200 SSL 679

0.20 5.21 7 70 17½ 17½

1.03 8.4 245 m18½ 15½

0.76 8.3 32 12½ 12½ 15½

1.03 8.2 188 16½ 15½

1.03 8.2 188 16½ 15½

1.05 8.3 188 16% 16% 16¾

1.05 8.3 188 16% 16% 16¾

1.05 8.3 188 16% 16% 16¾

1.05 8.3 188 16% 16% 16¾

1.05 8.3 188 16% 16% 16¾

1.05 8.3 188 16% 16% 16¾

1.05 8.3 188 16% 16% 16¾

1.05 8.4 188 16% 16% 16¾

1.05 8.4 188 16% 16% 16¾

1.05 8.4 188 16% 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 188 16% 16¾

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16% 16%

1.05 8.4 16% 16%

1.05 8.4 16% 16%

1.05 8.4 16% 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16%

1.05 8.4 16 584 174 184 124 18 18 18 18 18 174 174 - 0 -

大大な はない

51-2 34-2 PHH 
67-3 34-3 PHH 
67-3 34-3 PHH 
12 89-2 PG Group
15-1 13-3 Pac And Inc
22 17-3 PHE PAC SOIN
27-3 14-3 PROBLEX
37-3 21-4 PROBLEX
37-3 21-4 PROBLEX
37-4 20-4 PHH 
28-3 15-4 PROBLES
38-4 20-4 PHH 
28-3 15-4 PROBLES
38-4 20-4 PHH 
28-3 15-4 PROBLES
38-4 20-4 PHH 
28-4 21-4 PROBLES
38-4 21-4 PROBLES
38-5 PROBLES
38-5 PROBLES
38-5 PROBLES
38-6 38-4 PROBLES
38-6 38-6 PROBLES
38-6 3

1.98 2.8 11 273 151 2
1.29 2.8 12 2005 404,
1.00 2.8 12 2005 404,
1.00 13 22 16
1.20 7.9 45 016 2
1.12 2.5 23 161 22 2
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 4.8 12 622 27 4
1.35 405 27 4
1.35 1.5 1.5 24 22 4
1.4 3.4 44
1.7 11 710 304
1.9 1.7 11 710 304
1.9 1.8 1.8 1.8 1144
1.9 7.1 170 304
1.9 1.8 1.8 1.8 1144
1.9 7.1 170 304
1.9 1.9 1.9 1.9 1
1.9 1.9 1.9 1
1.9 1.9 1.9 1
1.9 1.9 1.9 1
1.9 1.9 1.9 1
1.9 1.9 1.9 1
1.9 1.9 1
1.9 1.9 1
1.9 1.9 1
1.9 1.9 1
1.9 1.9 1
1.9 1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1.9 1
1. 

小題等をは なる なるをかける 後の

地震なる

 $\hat{\mathcal{A}}_{0}^{1} =$ 

3

\*\*\*\*\*\*\*\*

のでは、 のでは、

# FINANCIAL TIMES THURSDAY FEBRUARY 1 1996 \* Step American Properties page | Continued for properties page COMPOSITE PRICES Baring Block PT Price Assume Resports Service for our obtainer assertion for on obtaining current extendings report of any obtaining assertant with \$7 Praces against the cost P27456. Rays \$760 770 0770 hours 24 hours including wedenated of fac \$181 770 3822. If calling from quantities to U.S., districtly of the cost of the price of the price

104 73	Talley	ind	04	2 5:	33	188		ME						)SI					CE		<b>S</b>			3:30	pa J.		y 31
America) America) Amoel-AdsA	1.04 0.05 2.00	173 7 18 7 6 29 35 2 2 54 2 6	39 96 12 7 88 53	274 104 416 74 115	27 1 <sup>1</sup> 8 9 <sup>1</sup> 9 40 <sup>1</sup> 2 7 11 <sup>1</sup> 8 6 <sup>1</sup> 2	974 41 774 1154 874 1654	神 神神神神	Stack Crown C A Crown C B Cubic Customedia Dimark Ducark Ducark Ducark Ducark	0.40 17 0.40 15 0.53 29 8	85 u10 85 a10 48 20 2 409 57 14 191	14 15 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	10 17% 2612 118 14% 9%	-J <sub>2</sub> -S <sub>6</sub>	Stock Health Ch Helco Hermine A InstrumCo art. Comis Intermigia Ivan	0.15	11 7 17 9 540 51 47	2 12 12 12 12 12 12 12 12 12 12 12 12 12	15g 165g 74g 135g 81 <sub>2</sub> 215g	7 <sup>L</sup> g	14	Stock MursecE HUR Pegane G Perini Pittony A PMC RegenStant	160 160 110 0.10160	3 1906 1906 33 162 77	413 10 <sup>3</sup> 3 18 8 <sup>1</sup> 2 12 <sup>3</sup> 3	1214	472 1000 15 814 8012	****
Atari Audiovs A AnhsaP(DP) Baid: Ocean Badgerhitr BaldwoT A	0.60 0.80 0.04 0.74 0.40	50 5 4 72 21 10 12 11 1 13 14 16 13	20 3 92 85 5 4 60 73	2 <sup>3</sup> g 27 4 18 2 <sup>1</sup> 4 2 <sup>3</sup> g 40 2 <sup>5</sup> g	0313 1778 274 2278 3979 21871	2544 2575 3 18 214 2394 1856	李章 李章	Emetar Co Echo Bay Ecol En A Edisto Ra Epitape And ande Fino A FistCayBac : Forest La	0.46 11 0.07 36 3 0.32 22 43 13 2 0.70 15 2.40 14	3 1; 478 12 17 1 15 (008 1; 92 3 4 4; 9 2; 788; u5	2% 12 <b>%</b>	123s 124s 64s 173s 173s 473s 254s 544s	12 14 14 14 15	Jam Bell Street Cp Street Fourtes Laborge Laser Ind Lee Pharm Luguez Inc Lynch Cp		90 3 8 25 46 471 12 8 ,2 12 32 8	2 3 8 17% 6 12% 0 4% 19 11% 17 3 7 11% 6 60%	17 <sup>1</sup> 2 12 16 <sup>1</sup> 3 10 <sup>2</sup> 3 10 <sup>2</sup> 3 10 <sup>2</sup> 3	25g 4 3 4 125g 4 105g 1 115g 4	· · · · · · · · · · · · · · · · · · ·	SAW Corp Tab Prode Tel&Dats Thermedes Topping Topping Tricki Tabos Mess TyrorBrit TururBrit	0.30 24 0.36 25 63 63 63 63 63 63 63	984 136 136 134 3 460 1 10 94 156	7 40% 26 28 9 13 27 4	385 A 254 A 12 B 254 A	7 0 28 27 2 12 12 12 12 12 12 12 12 12 12 12 12 1	4 444 4
Bruscan A x Calgrop Casobrex Can Marc Craft Fusa Cotolingo	1.04 0.20 0.14 0.01 0.30	21 1 25 15 32 21 6	51 10 62 60 52 50	178 10 <sup>1</sup> 4 10 <sup>5</sup> 3 5 <sup>1</sup> 8	174 43 <sup>1</sup> 2 10 <sup>5</sup> 8 51 <sup>1</sup> 4 19 <sup>2</sup> 4	18 % 44%	+1 <sub>5</sub>	Garan Giant FdA & Glatter Gottfield Guil Cta	0.80 14 0.74 19 0.70 10	153 325 33 341 13	16 18 23 <sub>9</sub> 32 71 <sub>4</sub> 16 <sup>5</sup> 9 3. 614	16 32 17 <sup>1</sup> 8	ياد حار	Majoratifi Mediu A Meris Co Migramediu Mitheld Moog A INSR Expl		16 6	7 124 1 74	32 <sup>1</sup> / <sub>1</sub> 3 <sup>2</sup> / <sub>2</sub> 12 <sup>3</sup> / <sub>0</sub> 7 18 <sup>1</sup> / <sub>2</sub>	41 <sup>3</sup> 2 +1 33 <sup>3</sup> 2 +1 4 12 <sup>5</sup> 8 4 7 18 <sup>1</sup> 2	13 <sub>0</sub>	UndFoods/A UndFoods/B US Code/ Viscom/A Viscom/B WIFET	3	131 909 5829	34 40 <sup>3</sup> E 41	113 135 33 <sup>1</sup> 2 40 <sup>3</sup> 6 4 11 <sup>1</sup> 6 1	34 10 <sup>1</sup> 8 10 <sup>5</sup> 2	, J <sub>k</sub>
Composition Composition; Description Consert A x		17	31	24 44,	2	412	+4	Hanbro z Hanbro z	9 1 0.32 243	742 1420 47	1 <sup>2</sup> 4 1 <sub>1</sub> 8 2 <sup>1</sup> 2 35 <sup>7</sup> 8	1 <u>&amp;</u> 41	*Å	restPestNev MY TssA	0.55	35 <i>27</i> 19 70	2 97 <sub>9</sub> 5 287 <sub>9</sub>	283	916 4 28 <sup>1</sup> 2		)Ophymik	1	36	18	1&	14	å

1 11 70000 10	Have yo	ur FT hand	delivered	din jose	
	The state of the s			VV	

Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day. Hand delivery services are available for all subscribers who work or live

in the business centre of Warsaw. Please call +48 2 644 5522 for more information.

Financial Times. World Business Newspaper.

		AS	DAG		IAT	F14	ON	A(Es)	NA 0.	OK	ET			2.00	_	35
	// N	ASI	PF St				!	N :	Sha .		-		P/ Sk	<u> </u>	m Janu	wy 3
Stack ASS Inde ACC Corp Acctom	0.12 22 308 24% 24% 34% -%	Steek Dep Say Cescon OH Tech	0.20 42 148	43% 3 70%	42 43/6 10 <sup>1</sup> 4 10 <sup>1</sup> 4 21 <sup>1</sup> 4 22 <sup>1</sup> 2	42	State	-	185 18 <del>5</del> 2 1				». E 100 - F	<b>1</b> -		
Acme Ma Action ( Actions)	25 7 16 17 <sup>1</sup> , 16 <sup>3</sup> , 17 <sup>1</sup> , 1.5 27 43 1557 27 <sup>2</sup> , 21 37 <sup>3</sup> , 1 25 1220 44 <sup>3</sup> , 43 44 -2	Page 1008 Dig Allicato Dag Soured	16 990 13 43	22 <sup>3</sup> 4 165 <sub>2</sub>	73 23% 10% 10% 1% 1.6%	*14 *2	E Seiss Laman Op Selly Se Alphali			12 2812	Rallys Raym	and	0 399 11 155	211 <sub>2</sub> 21 3 1½ 1 3 214 20 3 201- 21	5 112 12 214	+1
ADC Tel: Addings AddAOR	46 218 127 131 <sub>3</sub> 137 <sub>5</sub> + 3 0.16 9 26 21/4 21/4 21/4	Dig Syst Donex Cp Dine Vm	19 365 24 133	13 <sup>1</sup> 3 1 1037 <sup>1</sup> 2 1		-I <sub>2</sub>	*QA lestr kati A Komag lec	14 <b>3</b> 3	45 28 4 27 99	4 23 kg	Read-	Pare un	14 200	1 19 <sup>2</sup> 3 17 5 17 <sup>2</sup> 4 1 1 49 1	1 <sub>4</sub> 181 <sub>4</sub> 17 172 <sub>3</sub>	ا:- با-
Ade Logi Ade Poly Ade Toks	m 14 1218 7 6¾ 6¾ ⅓		0.20 20 366 0.60 18 21	25: 117 <sub>2</sub> :	31% 24% 17% 17%	-12	Kutcke S	9339	<b>C3</b> 254 30	A 22 4	Rest Rest	stäed nd		5 201 <sub>2</sub> 19 91 <sub>3</sub> 8	를 201 <sub>2</sub> 경 87	+5 -11
Adventa Agençaliza Maliegr	027 13 6437 4452 41 14 4414 + 31c 0 10 45 77 1652 16 1633 - 14 0 20 14 562 2134 2144 2112 + 13	DrecoEagy OnestBarn Drey GD	11 629 0.24117 10:	ց <u>վ</u> ջ 32 <sup>1</sup> է :			Labone Ladd Furn	0.72 45 2 0.18 3		14 ]4 14 ]4 <sup>1</sup> 8 •		eExper r! ().1	2 9 63	) 12 <sup>5</sup> ភូព រ រ	ie 11ie i4 5ie	بلب
Alexo ACI Atalian Allen Cop Allen Pi			0 003 15 26 109 13 176 046 18 2376 26 1166	271 <sub>2</sub> 2	8 27 <sup>1</sup> 2			0.60 15 4 0.65 22 2		1 <sub>4 37</sub> 3 <sub>8</sub> 1 <sub>2 17 4</sub>	I Ross	er o:	22 75 2945 14 258 22 938 18 17 3810	1 201 <sub>8</sub> 19 301 <sub>4</sub> 29		ارات پائم (
AND COP AND COP AND COP	1 16 16 511 17½ 17½ 17½ 12½ 1 154 12 111 14½ 13½ 14½ 1½ 032 1 60 03½ 3¼ 3½ 1½	,	-1				Lanopocs Lasersupe Lastice S	16 8 11 G 17 44	10 11 <sup>1</sup> 2 9 29 2 <sup>5</sup> 3 2 10 33 <sup>1</sup> 2 30	<sup>7</sup> 2 11 <sup>1</sup> 4 +1 <sup>3</sup> 3 2 <sup>5</sup> 2 + <sup>5</sup> 2 52 <sup>5</sup> 2 +1	A Payans		11 687		Å 613	
Alia Gold Aliasa Co An Bank AnaChloy	3425022 66% 62% 65% 65% +1% or 076 10 1036 34% 33% 33% -1	Eagle Fd Eactings ED Tel	2 14	1提		-4	Laceson Pr LDT Co Lechters LHe Tech			<sup>1</sup> 2 3 <sup>1</sup> 3 14 5 <sup>1</sup> 8 1	. t <sub>B</sub>		- <b>8</b> 10 11 5100 98 48		14 3512 1- 3814	
Am Mani Am Scho Am Fran AmGria	m 0.32487 585 5 434 475 +13	Egghens Electrico Electricis	\$5 1290 14 357 1,44 4 180	3 <sup>1</sup> 3 21 <sup>1</sup> 2 2 42 <sup>5</sup> 2 6	5% 6½ 3½ 20% 3% 42%	1 <sub>2</sub>	Lifetine Liftyindä Lincoln 7 Lincoln 3	0.32 13 1 060 15 5	42 11½ 10 10 12% 12 28 20½ 19 00±46½ 44	0 12% 20 •	Sanda Schler SCI Sci	rson 0. bark -0.2	10 13 18 13 17 241 17 6311	11 10 23 k 22 37 35	10 10 14 14 23 16 12 36 12	.1, .1,
Residir Residir Residir	1 930 중 정 등 수 236 9 96 66% 67% 67일 수 pay 18 8018 8% 8% 6½	ElectArts Emcon Ass Emales EncareOne	22 C			1 <sub>2</sub>	LinearTec : LiquiBlu Linearen G	0 16 30 82 (44 16 ) 0 10 29104	61 44 % 42 33 37 % 31 89 28 % 27	15 4312 4 14 7216 14 28	Schen	Bro	7 2738 2353 3619 14 95 20177 36	15 14	lg 14lg lg 5l4	
lou Trav Longes ir Lonesh i Loningis	nc 6129152162 <sup>2</sup> 4 59 593-115 Dp 000 43 97 55 57 <sub>8</sub> 57 <sub>8</sub>	Engytters Environes Enzemine	34 ±100 \1 117 \$4 2059	12314 2 176	1년 1년 1년 1년 26 3월		LineStrick Lone Star LTX Cp LXA(A)	20 14 15 10	28 33½ 32 62 9°3 3 62 6½ 9 12 44°2 43	95g .	Selection	0.3 SB 0.3 Ins 11	0 22 711 6 7 1343 2 11 14	221 <sub>2</sub> 1 21 <sub>4</sub> 1 371 <sub>4</sub> 37	22 22 12 2 2 14 14 37 14	+1
		EquityO6 Except Extect Evers Sin	0.10 44 236 0.16 271958 142 873 17 156	20°€ 10				_ :	M -		Seque Serv 1 Serven	ech ech	11 343 39 14		1 <sub>2</sub> 41 <sub>2</sub> 6 63 <sub>3</sub>	ا. د.
Neogeo E NPP Bio Neoko Ma	9 x 0 34 14 1825 15 1715 1716 415 103 320 774 744 744 415 11 1733778 3758 3558 3676 415	Example Example	24 1177 165 : 923	137: 1 25% 2	35 124 174 274 184 134	-73	MS Car's MS Car's Mac Halt	15 Z 060 7	03 29½ 22 22 16 15 2 13½ 13	12 16 1 <sub>3</sub> 131 <sub>8</sub>	Show Shore Show	d 0.8 wood wz P	4 34 3497 11 217 43 982	ี แล็จ ล้อ 13 <sup>2</sup> 8413 ใน13 <sup>5</sup> 2 13	57 أو 13 أو أو 13 أو	+1 <sup>5</sup> 2
AppleC Applebes Arbor ()r Arctico	824 13 1049 114 104 11 +4	Expedit I Excorpany		74 <sup>1</sup> 4 2 6 %	6 61:		Actani Bisa	1.99 75 1 0 89 12 31 16 2	12 23 <sup>1</sup> + 22 10 12 <sup>7</sup> + 12	35 35 g 4 22 g 2 10 g	Sugma Sugma Sugma	i di Des	5 20 2345	84 7	52 521 <sub>4</sub> 5 <sub>8</sub> 75 <sub>5</sub>	-73
ingonaut int/EspDe inpur A imoto in	1.32 13 18 32 <sup>1</sup> 2 31 <sup>1</sup> 2 31 <sup>1</sup> 2 8 954 36 1640 6 <sup>1</sup> 3 6 6 <sup>1</sup> 4 + <sup>1</sup> 2 964 18 212 16 15 <sup>1</sup> 4 15 <sup>1</sup> 4 - <sup>1</sup> 2	Fai Grp	- <b>i</b>	58 <sub>E</sub>	51 <sub>4</sub> 55 <sub>5</sub>		Marton Cr Markel Cr Markel Cr Markel Cr	59118 15		5 5 <sup>3</sup> 2 ·	Shent Samps Smert	TGG OP (14 STNT	14 5327 0 10 2014 11 43	27% 26 9 8 3% 3	14 26 % 13 5 4	-7g
ence) e entsolt specifie st Read	4 7518 614 6 6 1 33 674 3714 3614 3714 +50	Farr Cp Fasterali PAP Jaci PithTent	0.24 12 8 0.02 46 1537 288 1319	34% 3 29 2	1974 2978	-16	March Smill Marchall Master	166 12 60 92 30	19 1212 12 15 25% 25 18 10% 9	1213 14 2512 4 To 1014 4	Smeth Software La South	ureP est 08	26 899 1 460 8 11 1325	27 <sub>3</sub> 2 26 <sup>1</sup> 9 25	5 <sub>8</sub> 26	إل. أراج ا
Whaton of SEAr Vaned lensing	2 24 9 <sup>1</sup> 2 9 <sup>1</sup> 4 9 <sup>1</sup> 7 034 11 8847 18 <sup>3</sup> 5 17 <sup>7</sup> 2 16 <sup>2</sup> 3 - <sup>2</sup> 4 24 6953 28 <sup>3</sup> 5 27 <sup>7</sup> 6 28 <sup>1</sup> 4 - <sup>1</sup> 5 40 2004 4 <sup>5</sup> 8 4 <sup>1</sup> 2 4 <sup>1</sup> 2 - <sup>1</sup> 8	Fire Off Figure A Friend	0.24 4 170	11/ <sub>2</sub> 11/ <sub>2</sub> 1	12 1/4	416 +10		0.48 11 6 0.56 34 178	15 18 <sup>1</sup> 4 18	1814	Spygle St Jud	es eMa 04	0 21 263 144 1867 0 3514648 0 13 239	42 38 43% 41	لم 39 الم 43	+1Å
letitish. letorato leto Telpi	0.24 19 5150 30½ 29 29¾ +½ 16 70 3¾ 3½ 3½ +½ A 1 1874 3¼ 3¼ 3¼ +⅓	First Acu Fist Sector Fist Teran	1 12 13 1095 1.12 15 1944 1.88 12 792	371 <sub>2</sub> 3	64 37 0)1 604	+33	MempG	010 33 80	90 28 <sup>1</sup> 4 27 57 14 <sup>8</sup> 3 12	4 284 2 141 <sub>8</sub> +1	1 Segment	6. ICNS		24 4 : 167 <sub>3</sub> 16	24 24 le lu 16 %	-1 -1
wondale		Firster Fistment Firstmiss Figury		291 <sub>2</sub> 2 271 <sub>4</sub> 2		-14 -18	Mencerini Mencury 6 Mendian	4 36 880 16 65 1 48 16 377	79 <sup>1</sup> 4 58 43 <sup>1</sup> 4 46 28 u48 <sup>1</sup> 2 47	19 19 <sup>1</sup> 4 <sup>1</sup> 4 48 <sup>1</sup> 4 + <sup>1</sup> 5 48 +	Sid Re	ges 07 lec 0.0	8 11 96 8 19 276	124	19 19 <sup>1</sup> 2 12 12	-1,
payer ? E1 E1	- 18 - 0.00 10 76 7 <sup>1</sup> 3 6 <sup>3</sup> 4 7 + 5 <sup>2</sup> 2 0.06 1 198 4 <sup>1</sup> 4 4 <sup>2</sup> 4 4 <sup>2</sup> 2 - <sup>1</sup> 8	Flow Int FeedLA FactLB		91 <sub>8</sub> 514	5% 5%	-J <sup>2</sup>	Mensel Mesa Air Asethode A MFS Cm	19 10 0.16 14 £		8 B4 . 4 134	Street Street	orCi 1.1		19 <sup>1</sup> 4 18 25 24	9	+8
NdewL B GByHSTI Naciae Naciae		Foremost Forscimer Fortar A	5 84	12l4 3%	12 12 <sup>1</sup> 8 37 <sub>8</sub> 37 <sub>5</sub>	alg Lig	Michael F Michael E Michael Microcom Microcom	020 12 1 471 101	27 11 <sup>1</sup> 8 10 11 9 <del>7</del> 9 9 32 28 <b>4</b> 24	ધા 11 ના કુલ કુ માટકના -1		nD omoB 0.8		10½ 9 125¼ 26	<u>ች</u> 10% ዜ 264	+5
anformti anta Gui meset F anfilmik		Frth Fin Fst Fini Fst Hawni Froher HB a	1.16 18 1249 0.46 10 151 1.18 11 372 0.64 16 686	21% 2 28% 2	11/2 21/4 1814 2818	+60	Micropolis Micsti Mid 49 M	0 80 52342 16 6	25 3% 73 92¼ 90 13 20% 20	3 314 12 92+1 2 2034 4	Summ Sum S Sum S	nt Ter port		34 4 38 27 <sub>8</sub> 2	32 32 4 4 33 4 7g 27g 45 48 4	-7
ny Ylani Nykanika E Auro	0.80 91 95 27½ 265g 265g -12 2.40 13 1837 96 9534 9734 +134 66 1682 1334 13 1344 +14		0.68 13 112	224 2	14 214	4	MowGrain Maler H Millers Montectr	5	10 1314 13 23 323 <sub>9</sub> 31 10 1361 <sub>2</sub> 37 24 203 <sub>2</sub> 19	9 31 68 - 12 37 8	49 Sunto	ira e inc	19 1285 12211240	17 <sup>1</sup> 2 16	32 33	-1
iridaliri Melika		G III Amo	- <b>G</b>	_	Z <b>4</b> 2 <b>4</b>				79 174 16 3 113 11 14 2512 25	최 16점 최 11월 - 작 25년	Symali Symali Symali Symali	oy C.: c	2 9 767	294 28	15 15 <sup>1</sup> 2	. <sub>1</sub> 1.
M. Emps Acc 1 B	r 0.12 12 4 13¼ 13¼ 13¼ 1¾ ¼ 21 200 6½ 8⅓ 8⅓ -⅓ 0.20 10 102 10⅓ 9¾ 9¾ -⅓	G&A Serv Gardos Gornet Pla	0.07 24 199 3 87 2 2100	25 2 21 <sub>3</sub>	2 24 111 111	-Jg ↓Jg	Moley lag Moscom	0.06 23 90 0.04 79 1 0.36 13 7	87 32 <sup>1</sup> 2 82 6 <sup>1</sup> 4 6 11 26 <sup>1</sup> 4 25	31 32 <sup>1</sup> g 4 1 <sub>2</sub> 6 <sup>1</sup> 4 1 <sub>4</sub> 26 <sup>1</sup> g 4	Z <sub>B</sub> System	nåco	116 611	17¾ 16	42 1742	+
	7 0.00 12 63 17 <sup>2</sup> 6 17 17 <sup>2</sup> 4 <sup>-1</sup> 2 	Ghasy2000 Gent Co Gent Bund	0.16 5 42 0.42 19 112	7 <sup>1</sup> 4 22 <sup>1</sup> 2 2	04 2212	+14 +114	MTS Sys Mycopen		23 33½ 32 88 15¾ 15		T-Cell	Sc	- 7 4 493	Γ- 3 3½ ;	·7a :	3 .1
E Selle abnen i b Esam	33123251555-1 52 55 +1 ½ 6 1.46 12 7331 42 ¼ 40 ½ 42 + ½ 6 0.32 13 1006 16 ¼ 16 ¼ 16 ¼ 16 ¼ +½	Geniyte GenziaPin Genten Cp Gamus ins	11 372 4 8329 4 80 21 787 15 1986	63 <u>5</u> 241 <sub>2</sub>	74, 75, 5% 6 34,244 74, 8	16 1 <sub>6</sub>	NAC Re		<b>N</b> -	ig 34i4 +3 17 17i4	T.row TBC 0	Pr O.S p public O.S	9 2266 6 24 433	54 <sup>1</sup> 4 50 7 6 307 <sub>8</sub> 30	4 54 3 67 3 301	.1 .1
um ii 0 rteed eton 84 esset Tij	12 6122 18 <sup>5</sup> 9 18 18 <sup>3</sup> 8 + <sup>1</sup> 4 076 7 386 42 41 <sup>3</sup> 4 41 <sup>3</sup> 4 - <sup>1</sup> 4	Geszyme Geotek Cun Geotek Cun	0.40 4 355	u76 7 8 <sup>1</sup> 2 15 <sup>7</sup> 3 1	24 75% 81 <sub>8</sub> 81 <sub>2</sub> 51 <sub>2</sub> 151 <sub>2</sub>	+16 -1 <sub>9</sub>	Nex Compa Ntys Sun Navigation	036 20 50 020 37 70 6.00 15 24	25 19½ 18 30 ±32 29 14 17½ 18	ધ 195ક ન સું 31 ધ +1 ધ 164	1 Tecus	usta 150h 1 (	995,2996 28 2037 0 9 157 15 496	13% 13 1844 53		, i
adylli A Bisco 22 Bisco China	0.28 8 90 912 0918 938 +14	Glathingsi. Gribert A Glats Blom Good Burts	0.12 10 1912 0.60 3 (32 21 16 9 973	124 1 84	14 114 74 74	446 449 449 449	NEC Neitcor Neostar Netscape	805 305 7 19	12 61 4 60 15 61 4 60 11 54 5 17 167 4 162	4 614 + le 54	Telebi	Syn L	33 388 6 851 3412672	12 <sup>1</sup> 4 11 5½ 4 44 42	3 113 5 43 4 433	.1, .1 <sub>1</sub> .2 <sub>1</sub>
fieta Ndersii rr Brwii	17 1303 13½ 13½ 13½ 19 147 8 7½ 8 +½ 1 14 839 27½ 26½ 27 -½		0.80 26 1303 12 327 0.30 13 37	23 <sup>1</sup> a 2	15 224 3 34	-1	Netwix Gen Neurogen Hee: Image Narroekel	42 107	12 39 kg 37 11 30 kg 201 15 2 kg 21 11 50 kg 49	30 +	5g Tebroi 5g Tetra i 1g TevaPi 14 Three	ies NADR 0 1	1 24 1115 22 600 0 30 2827 4432248	16 <sup>1</sup> / <sub>8</sub> 16		+14
iknosif gerlilg		Green AP Grossmans Grad Wir GTI Corn	6 495 28 216	11 <sub>0</sub> 131 <sub>3</sub>	19 184 13 13 13 13 32 144	-35	Newpri Gp NextelCmA Noble Dri	0.04 18 15 10 975 54 512	19 77: 71 12 131: 13 19 97: 91	1 75 2 135 2 92 +	Th TJ int Todd-	0.2 10 00	14 518 2279 564 6 22 5	7½ 6 18 16 8% 8	4 612 4 164 7 87	+ \\. - \&a
iec Cobas	- C - 8 498 38 34½ 34¾ 14½ ps 1.28 17 238 33¾ 33¾ 33½	Stretores	13 476	12 1	13: 113: 13: 113: 13: 163:		Nordson Nasarm Norsian I N Star Un	133 5	8 39 <sup>1</sup> 3 3 6 25 <sup>1</sup> 4 24 <sup>1</sup> 2 8 <sub>1</sub> 1 7	6 18% + 4 254 +	1d Tokyo	Mar 04		63 6 13 <sup>3</sup> 4 13 <sup>3</sup>	2 13}}	+1 <sup>1</sup> 4
dmusik ere Cji igante	0m020 22 140 28½ 28¼ 28¼ 4¾ 59 2120 7½ 6¾ 7½ 1½ 2.25 6 3004 6½ 5¾ 6½ 4¾	Hr <b>ding</b> Low	- <b>#</b>	-	7 7la	41a	NortheTat NW Aur Novell Movelles			4 44% +1 2 13/2	TPI En Transit	ter Wid end	7 544 2 66 88 100	2   62  3  <sub>2</sub> 5  <sub>2</sub> 5	2 212 3 31 <sub>2</sub> 2 51 <sub>2</sub>	ړ
Micro rajelit das non litt	96 731 7 <sup>5</sup> 8 7 <sup>1</sup> 4 7 <sup>5</sup> 8 - <sup>1</sup> 2 7 32 2 <sup>1</sup> 4 2 <sup>1</sup> 4 2 <sup>1</sup> 4	Harlevjvi Harper Gp HarrisCorp	0.76 10 40 0.22 15 7 165 1935	30 <sup>1</sup> 4 2 17 <sup>3</sup> 4 1 17 <sup>1</sup> 4	9½ 30 7¼ 17¼ 14 16½	.lg .l4 .2l2	NPC IM NSC Corp	13 22 13 6	0 73 <sub>5</sub> 73	a 7½ -	Truevis	r m			4 164 5 54	, 1 <sub>2</sub> , 1 <sub>4</sub>
cede	0.36 10 122 13 <sup>1</sup> 4 13 13 <sup>1</sup> 2 + <sup>1</sup> 4 12 13 <sup>1</sup> 5 14 13 13 <sup>1</sup> 2 + <sup>1</sup> 4 13 13 <sup>1</sup> 2 + <sup>1</sup> 4 14 13 13 <sup>1</sup> 2 + <sup>1</sup> 4 14 13 13 <sup>1</sup> 5 15 <sup>1</sup> 5 15 <sup>1</sup> 6 13 <sup>1</sup> 6 13 <sup>1</sup> 6 14 <sup>1</sup> 7 11 <sup>1</sup> 8	Healthiar	0 16 57 2973 27 2969 0.06 16 19 304 347	49 <sup>1</sup> 8	45 494 94 94	-16 -16 -14 -14	OCtorieys	9 39	<b>0 -</b> 4 12¼ 11³ 9 37% 36³		Toeng TysFd/	ab 0.20	44 1048 17 5023	10% 9	94	. I <sub>3</sub> + <sup>7</sup> 3
ON CP INTOCOV ON FEE	14 14 13½ 13 18 -½ 2210831 24 32½ 34 +1 128 16 492 22 51½ 22 +½	Highanisch		11 <sup>5</sup> 8 1 6 <sup>1</sup> 9	14 114 42 513 46 942	3.		12 28 14 35 120 6	0u10½ £1 9 12% 121 8 38½ 3	974 + 4 1214 + 4 381 <sub>2</sub> -	14 12 US HIT	ct 1.00	- <b>U</b>		a 485°	+1 <sup>5</sup> 8
aben y esen esen et 200	0.89 10 4741 212 25 2위 -쇼		11 170 0.60 16 533 0.15 16 2490 107 1331	11 <sup>1</sup> 2 1	197 197 197 197 197 46 461		Ordencorp	0 92 15 9 1 20 11 26	7 40½ 39° 9 34½ 34½ 1 32 31°	2 34 <sup>1</sup> 2 2 31 <sup>3</sup> 4	On Unicab DiCross United United	5 04	18 82 59 169		2 18/4 4 23	+11
eckürli erafaio erappul ip:\$Te	1 4 785 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Hologic House Bear Houseak Hormack	0.84 11 39 0.48 12 126 40 184	343 <sub>2</sub> 2 21 <sup>1</sup> 2 2 21 <sup>1</sup> 3 2	34; 34 34; 284; 34; 2878	444	One Price Oracle Orb Sence Orbotech	44 9	1 3½ 3 48½ 43² 4 13½ 13¹	3 3½ 47 <sup>5</sup> 6 + 15 <sup>7</sup> 6 +	Undersol US Barr US Enc	20 cp 11: rgv	13 567 15 3497 46 967	151 월 49년 32개 32년 12월 12 <sup>년</sup>	4 5112. 4 3212 8 125g	1 46ء ہا۔ ہا۔
pinya (2) nun Fila nuas (2)	8 4841 114 <sup>1</sup> 2112 <sup>1</sup> 2113 <sup>1</sup> 4 +1 1.36 15 840 63 60 <sup>1</sup> 4 62 <sup>1</sup> 2 +1 <sup>1</sup> 4 0.20 31 628 46 <sup>1</sup> 2 45 <sup>1</sup> 4 46 <sup>1</sup> 4 + <sup>4</sup> 8	Huntaglik	0.44 13 6 0.20 38 436 0.80 13 353 0.65(15 49	15 <sup>1</sup> 2 15 34 <sup>1</sup> 5 Z			OrchdSupp	20 7 0.31239 117	2 24 <sup>3</sup> 4   2 1 u15 l <sub>3</sub> 14 <sup>3</sup> 4   6 <sup>3</sup> 4 46 <sup>1</sup>	4 24% 8 14% 9 6 <sup>1</sup> 9	US Ser US Tat UST CO Usan M	100 np 11	9 306 17 1065		485 <sub>8</sub> 4 141 <sub>8</sub>	+10
icon Inuslgs 5 Tech IscoSpa	22 519 2½ 2 <sup>3</sup> 5 2½ 484474 84 <sup>3</sup> 4 81 <sup>3</sup> 6 84 +1 <sup>3</sup> 6	Huggh Tech Hygor Bile	12 1574 20 10	49 4	14 474 14 474 13 473		Control Controls 1 Other Tail	038 19 12 050 14 44 175 15 4	2 17 16 <sup>1</sup> 7 15 <sup>1</sup> 2 14 <sup>1</sup> 6 36 <sup>1</sup> 4 35 <sup>1</sup>	18 <sup>1</sup> 2 -4 15 <sup>1</sup> 4 +4 2 35 <sup>7</sup> 8 +	la Uni Tel li Unio B Ulliver	ry 0.50	22 58	88 87) 1% 015 42 391	2 87 m 3 1 m	+70
z Banca esu Hibr its Or othesian	1.12 13 188 324 314 324 +1 8 53 24 25 24 +1 120 243 15 144 148	IFR Sps	- J 22 36		å 11%	ا وب	Calcul Min		4 684 6	: 56% +1			- <b>Y</b>			
ncsiColadi ndo Engl nde/Alum	3 1.00 29 27 34 <sup>1</sup> 4 34 34 <sup>1</sup> 4 32 1062 7 <sup>1</sup> 12 7 <sup>1</sup> 12 7 <sup>1</sup> 12 3 89 4 <sup>1</sup> 2 14 <sup>1</sup> 2 4 <sup>1</sup> 2 4 <sup>1</sup> 3	IS Intel Immucor Incouncem	1 111 32 1362 1 1 561	112 131 <sub>2</sub> 1: 3	提 16 地 125 18 24	-14	Parcar Pacturios Pacificre	100 7 81 061 12 8	3 45 44 3	: 10 <sup>1</sup> a +	8 Ventra	ell x	56 3701 10 2112	25% 24% 21% 20% 17% 16% 36% 34%	e 20 <sup>5</sup> a a 17,∖	+36
gnez Ci gnos factori factori	0 44 8754 25 <sup>1</sup> 2 24 <sup>1</sup> 4 24 <sup>1</sup> 4 <sup>1</sup> 2 45 47 14 <sup>1</sup> 5 38 <sup>2</sup> 4 39 <sup>2</sup> 5 -1 <sup>1</sup> 2 22 1219 45 <sup>1</sup> 4 45 <sup>1</sup> 4 45 <sup>1</sup> 4 <sup>1</sup> 5 47 20 <sup>1</sup> 2 20 20 <sup>1</sup> 4 <sup>1</sup> 2	Ind les Bil Nes	0.40 15 222 0.24 24 11 22 22 326 5053958	27 30 27 14 13	1 <sub>8</sub> 27 30	-16 -26	Farametro Payches Payco Asa	46 930 0.36 \$2 229 15 144	7 65 6 521 <sub>2</sub> 511 9 61	3 6473 +19 6 5176 -1 8 816 +1	Wearph	si.	26 1265 20 141	36°B 34° 18 <sup>1</sup> 2 17 <sup>1</sup> 10 <sup>1</sup> 4 10 <sup>1</sup> 11 <sup>1</sup> E 10 <sup>1</sup>	18 8 10	+149 -16 -14
ini Gas Mair Kalik	1.28 13 74 22 21 <sup>1</sup> 4 22 0.28 14 6656 26 23 <sup>1</sup> 6 24 <sup>1</sup> 2 +1 <sup>2</sup> 6 0.89 77 2149 19 <sup>3</sup> 6 18 <sup>3</sup> 6 19 <sup>3</sup> 8 +1 <sup>1</sup> 6	irformir Inglesidid Irsi.esi Irseg:Oém	86% 12 11 1 44	133	248 33 4  44 11 12  35 13 12  36 13 13 13	_1 <sub>E</sub>	Penn Triy Penn Virg Pentair	11 15 1,80 11 1 0,80 13 143		7 17 2 34 -1 51 <sup>1</sup> 2 +1	4 YLSI Te	ch		14 <sup>1</sup> 8 13 <sup>5</sup> 19 18 <sup>3</sup>	8 1373	.l <sub>8</sub>
masida propilisa propilisa propilisa propilisa	155 187 261: 35% 35% 35% 11.	iragidāja iragidāja iragidāja iraei z		38 k 37 21 l 63 k 51	14 3812 12 12 14 551 <sub>9</sub>		Pentech ( Penwest L Peoples H	20 90 020 19 11 064 9 162	2 2 15 1 201 <sub>2</sub> 197 3 201 <sub>8</sub> 191	201 <sub>2</sub> 201 <sub>2</sub>	1 *************************************	ab.	- <b>W</b>	7 - 19 18 <sup>3</sup>	n 1A3.	
pestero pesteri pesteri pestero pestero	25 358 552 25 554 +38 8 28 287 5 442 442 -12 108 364 9 83 832 -34	ingell feligniki inter Tel	18 366 640 8 5168 20 496	126 1 475 84 1374 13	1 <sup>1</sup> 2 1 <sup>5</sup> 2 1 <sup>5</sup> 2 4 <sup>3</sup> 4 1 <sup>6</sup> 4 13 <sup>5</sup> 9	-16 -16 -12	Pemyo PestangLD Pentolite Protess Tch	7 241 <sup>4</sup> 1 12 49 3		5 52g + 274g +1	Warrent Warrent Wartsin	En 0.12 est da 0.25	14 640 18 479 10 z100	214 204 43 44 17 lpd171	2 27 <sup>1</sup> 3 4   4 <sup>1</sup> 4 5  17 <sup>1</sup> 8	7
ajrički prisk pryteie	25 1167 177, 171, 177, 177, 178, 177, 150 19 600 233 227, 231, +15, 18 3213 107, 107, 107, 107, 107, 107, 107, 107,	intericeA interiori	6.24 15 1012 12 3909 5 1184	18 <sup>7</sup> 3 18 71 <sub>2</sub> 7	14 1853	16 14 14 14	PhysicpAm Proceeds Proburets	22 135 0 48 19 5 87 281	5 181 <sub>2</sub> 173 5 94 <sub>5</sub> 94, 3 404, 3	18 9l <sub>3</sub> J 30l <sub>4</sub> +	e WD-40	246		µ461 <sub>2</sub> 443 25e 23	4 45% 5 21 <sub>2</sub>	+1g +1
die Cp	33 MSHF9010741074 +4	inigrator	1 <b>08</b> 141	17 70	102	ᇫ	Paterion	19 70	i 1983 [9 <sup>1</sup> ]	19%	E STEERING	enc at 32	13 235	44 433	44	-12

J	Healthiar	27 2969	4912 4	9 494 -1	-0-	TysPdA 0 12 17 5023 251a 241a 257a
١	Healthcre	0.06 16 19	914 91	ا ياو ي	Octobres 9 394 1214 1114 1214	1/2-04 0 15 14 2053 50-8 54-4 53-4
Į	Historian	304 347	914	لب علو و	Octavi Costs 25 1989 37% 36% 36% +44	
ı	Himonich	26 118	11% 111	114 3	Ddenes A 12 290 u1015 517 974 +14	i
ı		v 0 16 731392			OffishieLD 14 359 125 125 125 +12	- U -
ł	Heidma	9 241			Onlease N 1.20 6 6 3815 28 3812 -12	US Hither 1,00 1914971 u485+ 471a 485+
I	Isteler/190y	11 170			Onuces 152 20 989 35 36 4 37 -0	Union 17 4842 25g 27g 25g
ı	Hestalf	0.60 16 533			Old Acet 1.28 12 377 40 2 39 6 40 5 +5	UCrossis 1 02 18 82 1814 1712 1874
ì	Hogan Sys				ON NAME 0 92 15 99 54 4 34 2 34 2	United St. 0 40 53 169 2312 2214 23
۱	Hologic			6 48k al	Ordanicarp 120 11 261 32 315 314	United 0 10 19 4 24 2 24 a 24 kg
I	House Beaf		343- 23		One Price 44 91 31c 3 31e	Undon 200 13 567 u51 2 49% 51 24
ĺ	Hon Irals	048 12 126			Grace 4431173 481 <sub>9</sub> 401 <sub>3</sub> 471 <sub>9</sub> +14	US Banca 112 15 3497 32% 32% 32%
Į	Homback			20%	Orb Scace 69 2154 1572 1574 1575 +178	US Energy 45 867 12% 12% 12%
Į	Horsebiles			4 4	Ornotech 099 11 10 125g 125g 125g +5g Ornotech 20 72 245g 24 24 245g	US Serve 3 35 H47 414 414
ı	Hart H.	0.20 38 436		_	OrchoSupp 20 72 24% 24 24% Orecondet 0.31238 1171 u1513 1416 1436 - 32	US Tet 100 9 306 48 A 48 A 48 A
ı	Hampsoly	0.00 13 353			Orthofia 5 184 614 4619 619	UST Corp 112 17 1065 1414 14 1414
J	Harras Co	065115 48			Order 8 386 24 25 25	Unit Med 24 1323 20% 20% 20%
ŀ	Hatch Tech			4712 +11	Ontida 0.28 19 122 17 161- 1812 -12	Und Telev 0.50 22 58 88 8712 8772
۱	Hectr Bio		44 47		Dankosh 1 050 14 447 1512 14% 1514 +%	UND 4 513 1% 0153 134
ı	1900-		45 4	9 48	Other Tall 175 15 46 3614 3512 3578 +18	UNNET THE 305 9378 42 3912 3914
ı					CANDON \$2 2744 (814 67 6814 +14	
ı		_				
ł		- J			ł	-V-
1	IFR Sps	22 36	124 114	117 4	-P-Q-	_
ı	IS Intel	1 111	银油	1 1%		Valencet 030 14 90 25 8 24 4 24 4
ı	INTEREST	32 1382	1312 121	12% +1	Parcar 100 7 813 46 44% 45% -16	Vngrd Cell 56 3701 21 lg 20 lg 20 lg
Į	Terror uncome	_		214	Pacturing 061 12 87 1012 91: 1014 +18	Ventratex 10 2112 1718 1658 1716
ł	luxoeri Bc				Pacificity 24 265 89% 97%, 89%, +2%, Farametric 46 9307 65 62 64% +1%	Veritone 27 531 3638 3454 3618
ĺ	Ind kes		27 30 274	e 27 30	Farametric 48 9307 65 62 6473 +178 Payches 0.36 52 2256 5216 5114 5176 -14	Vicor 26 1265 18 <sup>1</sup> 2 17 <sup>1</sup> 4 18
ı	In Chies	72 326		134 -	PayCO Am 15 1449 61 3 812 +16	Vicorpfist 20 141 1014 1018 1014
ı	Informic	S154968		33 +13		Venetopic 34 1775 11 1 10 34 10 34
ı				4 11-2 -1		VLSI Tech 13 4022 1418 1358 1372
ı	inglesidia			2 136 -3	Penn Trty 11 157 at 7 17 17 Penn Yang 1,80 11 9 34 331 34 -4	Voto B 0.29 7 2295 19 18 4 18 2
Į					Pentar 0.80 13 1437 51-2 50 4 51 2 +1 4	
١	integroom			13lg -I	Pentar 080 13 1437 51-2 50-2 51-2 +1-4	
۱	inigiaSpo			38 <sup>1</sup> 2 +7	Penwest 1, 020 19 11 2012 1974 2012	
l	Land West		3ఓ 1;		Peoples H 064 9 1620 201a 191a 20 +1	- W -
	-					
ı	intel z	9.16 1374873	63 <sup>1</sup> 4 23 <sup>2</sup>	ه چلاکه اماده	Permon 33 2229 1318 1219 1319 +19	Wang Lab 6 4514 19 18 2 18 2

2	LLG ED?	क्षेत्र के ने अप अप अप अप	YLSI Tech 13 4022 14 a 13 a 13 a 13 a 14
		11 157 u17 <sup>3</sup> 2 17 17	Woko B 0.39 7 2295 19 18 4 18 2 - 7
		1.80 11 9 34 3312 34 -4	-200 2 300 1 223 13 10 4 10 6 -16
		0.80 13 1437 514 504 514 +14	
2	Pontech (	20 92 2 115 2 +76	
- 1		030 19 11 20 <sup>1</sup> 2 19 <sup>7</sup> 4 20 <sup>1</sup> 2	- W -
1		064 91620 20 <sup>1</sup> 8 19 <sup>1</sup> 8 20 +1	
-	Pemgo	33 2239 133 <sub>8</sub> 127 <sub>9</sub> 13 <sup>1</sup> 9 + <sup>1</sup> 9	Wang Lab 6 4514 19 18 <sup>3</sup> g 18 <sup>3</sup> c
	Pestangli)		Warner En 0.12 14 840 214 2012 2113 +18
=	Perolite	1 12 49 33 27 4 25 2 274 +14	Warmtech 18 479 43 434 434 76
- 10 LG N/A	Process Tick	32 1557 14 <sup>1</sup> 2 13 <sup>1</sup> 2 14 + <sup>1</sup> 2	WattsindA 0.28 10 z100 17 ad17 s 17 s - 7s
ŝ	PhysCpAn	22 1355 18 <sup>1</sup> 2 17 <sup>2</sup> 4 18	¥rausau PM 0.27 28 1360 u23 2 22 4 23 4 + 4
Ł	Postade	048 19 5 9lg 9lg -le	WD-40 248 17 513 u46 <sup>1</sup> 2 44 <sup>3</sup> 2 45 <sup>3</sup> 4 +1
-	Picturata	87 2813 4014 38 3914 +3	Westek 4 384 25g 23g 21g .1g
5	Paterion	19 76 1973 1912 1975 -7	Visitary Binc #0 92 13 235 44 43 4 44 -12
4		14129 558 x40 2514 30 +14	WarPub 3 135 958 938 912 Ja
•	Proneering	0.80 23 120 51 4 50 3 51	WSIDSIA 3 2223 2014 19 1914 -1
4	Planed St	0.12 10 409 115 114 114 🔏	Wel SealA 81 30 712 733 738
	Pirer	\$93 459 20 <sup>1</sup> 4 19 <sup>2</sup> 0 19 <sup>2</sup> 4 - <sup>1</sup> 2	Witmite 120 6 3346 55 4 54 2 55 4 4
Ĺ	Procebile	0.52 8 7 154 144 154	WmsSoroma 46 918 15% 15% 15% 15%
5	Powel	18 270 8½ 8½ 8¼ +¾	Woman 1 028 10 57 558 514 538 -14
-	Presco	22717 1/2 1% 1%	Worldcom 88 8942 3614 353g 361g + %
	Pres Life	0.09 7 76 9 8% 8% -la	WPP ADR 24 339 26 2512 2574 +44
	Preside.	764 508 944 912 914 -178	
	Pr'Cost	22 5183 1553 1550 1553 +16	Wyman-6dn 0 40 32 3274 u15 ½ 15 15 15 ½ + ½
	Pride Pet	17 3170 912 918 914	
3	Printron	15 559 23 21 22 <sup>1</sup> 2 +1	
3	Prod Ops	0.26 44 403 u34 1 33 4 34 3 4 1 1 5	- X - Y - Z -
4	Pyras	1517162 16 <sup>1</sup> 2 15 15 <sup>1</sup> 4 -1 <sup>1</sup> 4	
	OLT Photo	12 150 914 9 918 +19	XDanx 3416484 397g 38 39 +3g

- D -

13.6 13.74873 6344 3344 5354 61 18 368 131 131 132 134 -26 20 486 1314 1314 1314 -21 20 486 1314 1314 1314 -21 12 3909 1873 1314 1813 -21 5 1184 712 714 712 -14 108 141 17 103 1072 -14 22 1427 2314 275 2314 -14

### Dow takes a breather after its record run

#### Wall Street

US stocks took a breather after their record breaking run on hopes of an interest rate cut. Prices were muted ahead of the decision from the Federal Open Market Committee, due in the afternoon, and traded within a narrow range, writes Maggie Urry in New York.

By 1 pm the Dow Jones Industrial Average, which rose nearly 110 points over the first 2.17 at 5,383.38. The broader indices edged higher, with the Standard & Poor's 500 up 2.80 at 632.95 and the American Stock Exchange composite ahead 0.62 to 551.58. The Nasdaq composite rose 3.02 to 1,054.32. Volume on the NYSE came to 259m shares.

Stocks had little lead from the bond market, which was quietly firmer ahead of the interest rate decision, aided by suggestions that inflation remained under control and that economic activity was

Cyclical stocks underperformed others, as a slowing economy would affect their profits. Within the Dow's 30 shares, Caterpillar fell \$% to \$63%, Goodyear Tire and Rubber \$1 to \$47 and International Paper \$1 to \$40%.

Earnings reports gave the market some impetus. Ford Motor best expectations with fourth-quarter earnings per decision to break itself into share of 49 cents, compared four new companies. The ADRs

São Paulo was mixed in midday trade as investors digested the lowering of Brazil's real

currency foreign exchange band. The Bovespa

index, which jumped 4 per cent on Tuesday, was 28 points higher at 51,363. Analysts noted that

although the change was seen as positive, for-

eign investors, in particular, might need some

time to understand that the central bank move

did not have immediate implications for the

BUENOS AIRES was slightly weaker,

340.18 719.82

318.78

121.42

107.54 72,78

287.50

108.43

159.06

252,49

182.03 540.62

130.71

although analysts noted that investors had

(145) (36) (83) (76) (44) (123) (25) (72) (47) (47) (8)

bears testimony to such a view.

country's foreign exchange policy.

China<sup>4</sup> South Korea<sup>6</sup> Philippines

Euro/Mid

Hungary

with forecasts of 21 cents. The relinquished \$% at \$15%. stock rose at first but slipped later to show a loss of \$\% at \$29%; Chrysler and General Motors also fell, the latter retracing some of its \$1% rise on Tuesday when it reported strong fourth-quarter earnings. Chrysler shed \$1/2 to \$571/4 and GM \$% to \$52%.

Philip Morris, the tobacco and food group, pleased the market with fourth-quarter earnings per share slightly above forecast. Its shares rose

Kimberly-Clark, the paper maker which recently acquired rival Scott, reported earnings below forecasts. That initially hit the shares, which fell \$31/4 to \$76. However, they recov ered sharply as analysts looked behind the headline figures, to show a net gain on the day of

Also disappointing was Bethlehem Steel, which as well as producing fourth quarter earnings below forecasts was cautious for the first quarter of the current year, saying price increases would not take effect until the second quarter. The shares dipped \$1/4 to \$15.

Corning shares were active on hopes that the diversified manufacturer might raise \$1hn by selling its faltering laboratroy services division. The shares rose \$% to \$31%.

Topping the active share list was Hanson ADRs, following the Anglo-American group's decision to break itself into

RMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

+3.0 +3.9 +1.7 -2.4 +0.6 +8.6 +0.3 -0.1 +0.8 -1.0 +7.4 +0.8 +14.6

The Asian emerging markets are finding favour once more as US money returns, writes

John Pitt. Standard Chartered says that the growth of interest stems from several fundamental changes in attitude; yields on US 30-year bonds have fallen, while the Dow Jones Industrial Average, at new highs, has encouraged many investors to look around for opportunities to "hedge their beta". The rally in Hong Kong this week cartainly

São Paulo mixed at midday

Toronto was weak in midses sion, awaiting news on the direction of US interest rates. The TSE-300 composite index was down 28.33 by noon at 4,959.54, after Tuesday's record close, in volume of 50.3m charen.

up an early advance to trade C\$% softer at C\$12%. Corel picked up C\$1/4 to C\$14% after the company acquired the WordPerfect word

processor and related software

Nova, the energy giant, gave

#### SOUTH AFRICA

from Novell.

Johannesburg was under pressure as profit-takers returned with a vengeance to the indus-trial market and bullion's undecided mood made for nervous trading in golds. The overall index fell 60.1 to 8,870.1, industrials shed 69.5

to 8,598.9 and golds dipped 32.8 to 1.698.1. Analysts said that the market had begun to stabilise in late trade, after its intra-day correction which was sparked in part by growing uncertainty about the possibility of a rate

cut in the first half of the year. Dealers said that cyclical shares had been responsible for most of the day's activity with Iscor, the biggest loser among blue chips, falling 25 cents or 7.2 per cent to R3.21.

largely shrugged off news of a sharp drop in industrial output. The Merval index had slipped

Dealers also noted that the market was hold-

ing fire, awaiting the US Federal Open Market

Committee's decision on whether to lower

CARACAS equity and Brady bond prices were

lower in midday trade as the market continued

to adjust to new Brady bond trading rules. The

over week on Dec '95

+0.5 +0.8 +15.7 +1.5 +1.9 -5.8

19-share IBC index was standing 18.71 easier

1,244.97

1,018.66 1,670.50

2,693.27

02.58 125.40

367.29

110.87 92.97

271.04

868.82 129.69

1.14 points to 562.76 in early trade.

short-term interest rates.

### January ends with new Frankfurt peak

cut, 15 basis points, saw FRANKFURT set an emphatic new high on the session. It closed official business with the Dax at 2.470.14, wobbled in the afternoon as the dollar, bonds and the Dow moved against it, and ended Ibis trad-

ing with a 6.91 gain at 2,463.00/ Turnover rose from DM11.1bn to DM13.4bn; Daimler, Deutsche Bank and Siemens traded in DM4.4bn between them. Mr Eckhard Frahm at Merck Finck in Disseldorf calculated that the official close left the Dax up 9.6 per cent on the month, compared with a 7 per cent gain for

the whole of 1995.

The market, said Mr Frahm, was being driven by the dollar and corporate restructuring prospects, as well as by liquidity and the interest rate environment. DAX 30 earnings per share were expected to rise by 30 per cent this year, and by 13 per cent in 1997, and dollar-related stocks dominated the best Dax performers in January, led by Continental, Bayer and BMW, up 21.5, 17.6 and 15.1 per cent respectively.

Lufthansa rose another DM5.80 yesterday to DM223.80; the flag airline told a German business magazine on Sunday that it could treble its earnings by the year 2,000. SAP prefs to DM217.50 after a 44 per cent rise in 1995 earnings, and confident predictions for 1996. PARIS, down at one point,

rose for the sixth consecutive session on late foreign buying. the CAC-40 index ending 17.90 higher at 2,031,03, with turnover inflated to FFr7.23bn by expiry-related arbitrage.

Stocks which got a poor early reception improved. Bouygues, after its news of heavy provisions against the 1995 accounts, fell to FFr492.50 before closing a net FFT15 down at FFr517; L'Oreal, relatively flat in its initial reaction to higher turnover and profits for 1995, ended FFr19 ahead at

the chemicals and pharmaceuticals group, outdistanced most blue chips with a gain of FFr4 at FFrii9, on higher earnings and plans to sell FFr10bn of assets to reduce debt.
MILAN built up its hopes for

Meanwhile, Rhône-Poulenc,

an imminent solution to the vernment crisis. The Comit index rose 6.17 to 619.94, while the real-time Mibtel index was 82 higher at 9,923. Stet forged ahead 1,224 to

1.4.971 after newspaper reports that the group's assets might be sold in tranches, although many analysis were sceptical about the practicalities of such

rities put on Y90 at Y2,320 and

Daiwa Securities Y50 at Y1,600.

mixed. Announcements by the

Tokyo and Osaka stock

exchanges of restrictions on

margin trading in Daido Steel Sheet prompted profit-taking in some issues. Daido fell Y40

to Y2,150 and Kyokuyo inched

down Y1 to Y849. However,

Toho Zinc climbed Y27 to Y800.

Speculative shares were

FT-SE requaries Share indices THE EUROPEAN SERIES 14.00 15.00 Close 10.30 11.00 12.00 13.00 FT-SE Eurotrack 100 1563.12 1562.42 1562.27 1560.45 1561.58 1561.18 1569.40 1569.54 FT-SE Eurotrack 200 1665.62 1665.60 1663.60 1664.63 1664.63 1665.65 1666.66 1663.10 1662.06 Jan 29 Jan 26 1539.25 FT-SE Europeack 100 FT-SE Europeack 200 8ano 1000 (28/1030); Rigilatay: 100 + 1563,12; 200 - 1897,29 Lond

an operation.

Fiat was weak after its recent spurt, awaiting Mr Gianni Agnelli's last annual letter to shareholders as chairman, which came after the market closed. The shares fell L65 to L5,334. Mr Nicholas Potter at Credito Italiano International described the 1995 results as "acceptable but nothing special", adding that the company was capable of significantly more.

ZURICH continued higher, supported by a steady dollar, but activity was thin as many investors awaited the outcome of the FOMC meeting. The SMI index rose 11.9 to 3,248.7. Bank Baer, which released

1995 figures, picked up SFr30 to SFr1.260. Registered shares in Elco Looser, the heating equipment manufacturer, which closed at SFr491 on Tuesday, were suspended throughout yesterday's session ahead of the SFr536 a share bid from Preussag, the German engi-

MADRID featured a near 8 per cent gain in Repsol, up Pta125 at Pta4,360, on signs that the latest privatisation offer was being well absorbed. The general index rose 27.40 to 8,794.49. BRUSSKIS liked a 15 basis-point cut in the Belgian National Bank's central rate, and the Bel-20 index put on 14.56 at 1,690.23.

Forestries, with sector indi-ces up 2.7 and 2.3 per cent respectively, lifted HELSINKI, where the Hex index rose 12.50 to 1,752.41, and STOCKHOLM, where the Affärsvarlden General index closed 16.1 better at 1.765.1. However, the Swedes also enjoyed a 1.6 per cent lift Astra rose SKr5 to SKr282, and Pharmacia & Upjohn also by SKr5, to SKr282.50, after overnight sector gains in the US. ISTANBUL leapt 6.9 per cent

outcrop in the Aegean Sea efter a tense stand-off on Tuesday. The IMKB-100 index gained 3.210 at 49.489.5. Analysts noted, however, that the domestic politics over efforts to

form a coalition government after the inconclusive Decem-ATHENS also reacted to the de escalation of tension, with a 1.6 per cent rise. The general index moved up 15.08 to 989.45. WARSAW picked up 24 per cent, taking the month's advance to 30 per cent and the market to a 52-week high. The

Wig index rose 241.6 to 10,413.1

on hopes that the year's second

interest rate cut could come as soon as February. Animex, the food processor. jumped 2.70 zletys to 29.80 on news that it would receive a 19m-zloty returns after paying too much tax in 1990.

BUDAPEST was higher for the Bux index climbed 65.26 to 2,068.06. Bearer shares in Agrimpex, the agricultural trading company, soared Ft1,500 to Ft13,000 as the group established a subsidiary intended to centralise its trading activity.

as Turkey and Greece with-

### Nikkei at 17-month high on foreign demand

mounting hopes of economic recovery and following another record breaking Wall Street advance. The Nikkel average writes Emiko Terazono in

The 225 index was up 90.30 at 20,812.74 after moving between 20,786,68 and 21,021,63, topping 21,000 briefly for the first time since June 1994 on purchases of cyclicals such as steels and hipbuilders.

In London the ISE/Nikkel 50

NKK, the steelmaker, was the most active issue of the day, gaining Y8 at Y305. Investors were encouraged by NKK's restructuring of its leas-ing subsidiary and the stock was supported by foreign and domestic institutional buying. Other steel issues were also firm. Kawasaki Steel rising Y14

The dollar's rise supported shipping companies, which conduct their business in the US currency. Shows Line moved ahead Y11 to Y228 and Mitsui OSK Lines Y10 to Y352. Brokers gained ground on

Japanese equities saw broad, active foreign buying on closed at a 17-month high,

Volume totalled 781m shares, against 560m. Foreigners and brokers bought large-capital cyclicals, while individual investors traded speculative favourites. But domestic institutions remained on the selling side. The Topix index of all first section stocks rose 14.97 to 1.613.11 and the Nikkei 300 by 3.20 to 301.79. Advances led declines by 727 to 342, with 145 issues unchanged.

Investor confidence was also boosted by the yen's decline against the dollar. On the economic front, following Monday's rise in industrial production, the Economic Planning Agency's Tuesday report of the diffusion index of leading economic indicators in November stayed above the boom-or-bust level of 50 per cent for the secand consecutive month.

to Y379 and Sumitomo Metal Industries Y10 to Y349.

expectations of higher earnings due to the recent rise in stock

#### in Osaka, the OSE average moved up 212.71 to 22.331.56 in volume of 149.8m shares.

Roundup

The regions's biggest markets, especially, were influenced by Wall Street. HONG KONG, however, gave up part of its sharp early gains as specula-

issues. The Hang Seng index still ended 158.24 or 1.4 per cent ahead at 11,359.70, after a day's high of 11,411.14, in turnover that swelled to HK\$9.1bn.

SYDNEY offered better than expected December current account data and a subsequent rally in bonds as the domestic ingredients as the All Ordinaries index advanced 22.7 to 2,288.5 in turnover of A\$670.1m.

WELLINGTON's market leaders, Telecom and Carter Holt, both closed 11 cents up at NZ\$6.45 and NZ\$8.17 respectively. The NZSE-40 index rose 23.09 to 2.114.66 in good volume

SINGAPORE finished higher on foreign institutional interest in blue chips, with particu-

tion grew that there could be a larly strong gains in property spate of covered warrant and banking, and on some light accumulation in recent underperformers. The Straits Times industrial index put on 25.47 at 2,449.15.

BOMBAY was higher on further foreign demand, with investors apparently shrugging off the sliding rupee, which fell to an all-time low against the dollar in intra-day trading. The BSE-30 composite index gained 21.92 at 2.931.84 JAKARTA rose in anticipa-

tion of lower US interest rates, the JKSE composite index gaining 9.38 or 1.65 per cent at 578.56, with liquid, heavyweight stocks prominent among the winners. BANG-KOK registered a six-month peak, also in busy trade, the and the weight SET index closing 16.99 up at 40.40 at 4,763.40.

SEOUL saw demand for blue chips offset selling of smallcapitalisation stocks, and the composite index added 3.37 at 878.82 ahead of today's publication of consumer and producer

price figures.
KUALA LUMPUR extended recent gains, although late for eign selling trimmed prices as many investors, apparently, decided to lock in profits ahead of a market holiday today. The composite index finished 2.58 ahead at 1,055.43, having

TAIPEL, still troubled by China fears, fell late in the day. Selling pressure emerged from short-term oriented investors after Tuesday's strong rally, and the weighted index lost

#### LVMH

#### MOET HENNESSY - LOUIS VUITTON

#### REPORTS 1995 SALES OF FRF 30 BILLION

In 1995, the LVMH Moet Hennessy Louis Vuitton Group recorded preliminary consolidated net sales of FRF 29.8 billion, an increase of 6.4 % over the 1994 level. On a constant currency basis, 1995 sales increased by 11.7 %.

The major highlights of 1995 were:

e growth in sales volume in all our segments of activity, with higher increases recorded in luxury products than in wines and spirits;

• sharp sales increases in certain countries, notably the US, China and the UK;

market share gains in all our activities :

• an active brand management strategy and successful new product launches both in wines and spirits and in perfumes, notably with Dolce Vita at Parfums Christian Dior;

• strengthened brand portofolio with the acquisition of the jeweller and watchmaker Fred;

· a further sharp decline in financial expenses.

By segment of activity, Group sales developed as follows:

In FF million	1994	1995
Champagne and wines	5,712	5,830
Cognac and Spirits	5,987	.5,275
Luggage and leather goods	6,716	7,406
Perfumes and beauty products	7,686	9,268
Other activities	1,866	1,985
LVMH	27,967	29,764

These performances were achieved despite difficult circumstances characterized by slower economic growth in most of the Group's major markets, the declining exchange rates of major cult rencies against the French franc, and strikes in France towards the end of the year. Apart from lower currencies and the slowdown in economic growth two other external factors

had a negative impact on the Group's 1995 profits: • the lower profit forecast by Guinness, the British drinks group in which LVMH holds a 20 %

interest, following the announcement of a series of restructuring measures which will impact • the announced rise in French corporate tax rates, which will increase the Group's tax burden.

Despite these factors, LVMH anticipates that its net income will be up by about 10 % in 1995. In 1996, in an uncertain economic and monetary environment - with a rising US dollar and a still

fragile recovery in Japan -, the LVMH Group will continue to build on its existing strengths: • the appeal of its brands will be enhanced, through improved advertising, further new store openings, and a continuing commitment to the highest quality standards;

• new markets will be developed; in Southeast Asian countries such as Vietnam and latin American countries such as Brazil, the Group will increase its distribution capacity;

• new products will be launched, notably in the perfumes and beauty products segment where Guerlain, Givenchy and Kenzo all plan introductions in 1996. • the new organizational structure of the wines and spirits segment and the recently developed regional structures will yield new synergies in distribution .

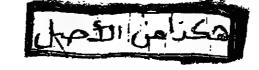
External growth should also contribute to the Group's performance; in particular, the planned acquisitions of Céline and Loewe should soon be finalized. Taking into account the Group's environment in the foreseeable future and its growth potential,

LVMH has set as its objective a further increase in profits in 1996. The LVMH Group's full results for 1995 will be released on March 21, 1996.

LVMH, THE WORLD'S LEADING LUXURY PRODUCTS GROUP

### Dears testimony to such a view. This week Mr Alan Butler-Henderson of ING Barings said that he was reaffirming his bullish stance on the region, and he believed Malaysia. Thailand and the Philippines would be the best performers. Throwing caution to the wind he forecast that the regional index was likely to rise by 12.5 per cent between now and April, "rising to 20 per cent during the second half of 1996 and advancing to 50 per cent by November. In contrast, Wall Street will continue along its conservative track, and dollar-based returns from Japan and Europe will temper as a result of currency weakness." FT/S&P ACTUARIES WORLD INDICES

REGIONAL MARKETS				DAY TAN	MARIA 30	1 1996			1		TANKTAK	r 29 199		001	TAN M	
Figures in perentheses	US	Day's	Pound			Local	Local	<b>Gross</b>	US	Pound			Local			Year
show number of lines	Dollar	Change	Sterling	Yen	DM	Currency	% chg	Div.	Dollar,	Sterling	Yen		Currency !		S Meek	ago
of stock	Index	%	Index	Index	Index	Index	on day	Yield	Index	Index	Index	Index	Index	High	LOW	(approx)
Australia (81)	192.69	-0.3	190.11	130.76	149.40	172.95	-0.6	3,87	193.52	190.28	130,40	149,50	173,95	196.40	157.95	164.28
Austria (26)	185.71	0.1	183,04	125.90	143,84	143.66	0.3	1.50	185,61	182.50	125.07	143.39		199.28	167.48	175.13 `
Belgium (34)		0.5	209.03	143.78	164.27	160,30	0.9	3.26	211.03	207.AB	142.20	163.02		215.22	166.86	168.36
Brazit (28)	160.18	32	157,88	108.59	124.07	288,39	3.2	1.53	155.21	152.61	104.59	119.90		160.23	96.06	137.05
Cenada (101)		1,0	153.65	105.69	120.75	155.59	0.5	2,40	154,41	151.82	104.06	119.28		155.89	121.87	121.81
Derumark (33)		-0.2	283.11	201.51	230.35	233,23	0.1	1.40	297.86		200.71	230.10		302.74	252.41	254.06
Finland (24)		8.0	175.99	121.05	138.30	177.19	1.2	1.86	177.07	174.10	119.32	138.79		27B.11	171.13	186.02
France (99)	184.03	8.0	181.38	124.76	142.54	147.78	1.1	3.08	182.51	179.45	122.98	140.99		191.17	159.06	160.81
Germany (60)		-0.7	166.22	114.33	130.63	130,63	-0.4	1.83	169,80	166,96	114,42	131.17		170.83	189.77	141.21 298.17
Hong Kong (Si)		1.3	428,89	295.00	337.05	432.01	1.3	3.28	<b>429.50</b>	C7.50	289.47	301.86		262.70	205.44	109.75
ireland (16)		-0.5	251.24	172.81	197,44	230.23	-0.3	3.23	256.20		172.64	197.92			85.45	
Italy (59)	76.25	1.7	75.15	51.69	59.06	91,11	1.7	1.01	74.96	73.70	50.51	57.91		82.71		79.78
Jepen (482)		-0.3	148.11	101.87	116.40	101,87	0.8	0.75	150.77	148.25	101.60	116,47		184.32 561.96	138.96 418.90	148.89 418.95
Malaysia (107)		0.8	500.75	344,43	393,53	500,78	0.8	1.67	504.22	NS.77	<b>XM.78</b>	389.51		1237.14	647.81	964.79
Medao (18)		0.3	1196.67	823.11	840,44		-0.2	1,43	1209.94 273.84	1189.67 269.06	518.50	934.68		290.49	218.81	221.98
Netherland (19)		-0.5	266.41	184.62	210.93	207,33	-0.3	3,15	78.66	77,35	184.39 53.01	211,39		85.49	72.27	73.47
New Zeeland (14)		0.2	77.72	53.46	61.08	62,60	0.1	4,84	225.20	221.43	151.75	60.77 173.97		243.79	202.78	212.25
Norway (33)		-0.3	221.18	152.13	173.82	198,76	-0.1	2.11			295.94	339.28		445.07	340.31	340.76
Singapore (44)		0.1	433.46	298.15	340.65	287,89	0.3	1.40	439.20		292.82			436.21	281.06	284.77
South Africa (45)		-0.1	427.38	293.96	335.87	346,24	-0.2	9.40	434.27	195.91	100.00	335,47 124,65		168.91	124.10	130.38
Spain (37)		0.8	150.68	110.02	126.27	156.56	0.0	3.90	161.62 295.31	290.36	198.99	229,13		324.31	232.23	237.43
Sweden (47)		22	297.41	204.67	239,78	311.16	1.0	1.60	219.29	215.61	147.76	169,40		239.55	162.89	163.64
Switzerland (39)	_221.21	0.9	218.03	149.97	171.34	166,42	1.2		185.51	182.20	124.87	148.15		187.95	130.15	137.19
Thailand (46)		1.4	185.25	127.42	145,58	184.86	1.4	2.17	226.50	222.70	152.62	174.97		232.23	192.73	193.40
United Kingdom (205)		-0.2	222.78	153.24	175.08	222.78	0.0	•	254,32	250.05	171.37	196.45		256.63	191.98	191,98
USA (632)	256.83	1.0	253.14	174.12	108.94	256.83	1.0	2.22	229,36	200,00					181990	
Americas (779)	_234,80	1.0	231.42	159.18	127,67	197,36	1.0	2.22	232.47	228.57	156.64	179.58		234.80	178.22	176.22
Europe (732)		0.2	196.57	135.27	154.58	175.28	0.4	3.02	199.13	195.79	134,18	153.88	174.55	204,32	167.65	168.58
Nordic (137)		1.3	285.50	182.62	208.65	239,00	1.2	1.04	265.96	261.51	179.21	205.48	220,14	295,02	<u> 272 22</u>	228.48
Pacific Besin (833)		-0.1	160.85	110.64	125,41	113.58	0.3	1.17	163.45	160.71	110.14	126.26	113.20	171.87	145.95	155,07
Euro-Pacific (1565)		0.6	175.67	120.83	138.06	137.00	0.4	2.04	178.21	175.22	120.08	137.67	135,50	163.39	156.37	160.60
North America (733)		1.0	246.96	169.87	194.06	249.99	1.0	2.23	248,11	243.95	167.19	191.67	247.55	250.56	187.63	187.83
Europe Ex. UK (526)		0.4	177.97	122.41	139.86	148,85	0.6	2.38	179.78	176,77	121,14	136.88	147.72	184,61	150,45	151.A7
Pacific Ex. Japan (351)		0.6	278.89	191.83	219,17	249.58	0.6	2,94	281.22	276.51	189,49	217.24	248.47	282,96	216.81	218.27
World Ex. US (1757)		0.1	177,69	122.22	139.64	141.43	0,4	2.07	180.17	177,15	121.41	139.18	140.69	184.71	156,72	160.64
World Ex. UK (2183)		0.5	198.57	138.65	156,13	169.89	0,7	1.93	200.64	197.18	135.13	154.91	168.71	202.03	166.82	167,63
World Ex. Japan (1907)		0.7	230.13	158.29	180,85	221.07	0.8	2,55	231,88	228.00	156.25	179,13	219.42	233.49	152.89	182.80
The World Index 60000	000 TY		000.04		157.02	174.60	0.6	2 12	207.85	199.45	136.69	158.70	173.55	204.65	169.20	169.90



NEWS: UK

William

ome as

Te

æd

ia}.

most popular business perk, driven by almost 2m people at a cost of about £5.1bn (\$7.7bn) a year, according to a survey of employee benefits. Cars outrank company canteens as the most expensive benefit in kind, representing almost a third of the £16.2bn spent on perks in the 1994/95 tax year. Research by IFA Promotion, which represents more than 15,000 financial advisers, showed that the cost of benefits in kind was equivalent to 6 per cent of the UK's wage bill. Spending on employee benefits has more than

Company cars are Britain's

doubled in the past 10 years, rising by an estimated 260 per

Contracts COMPUTERS: Hoskyns. UK subsidiary of the French-based computer services CGS group, has won a \$2m (\$3.02m) contract to provide new logistics and financial systems to MoDo, the paper manufacturer and distributor at its West Byfleet

ADVERTISING: M&C Saatchi, Mr Maurice Saatchi's breakaway headquarters. Solvertising agency, has been appointed by The Asprey Group, the luxury goods company, to take charge of its advertising. The total communications budget will be about £6m (\$9.06m)

### UK threatens to challenge Iberia subsidy

By Robert Shrimsley in London and Emma Tucker in Brussels

The British government last night threatened a European Court challenge to a Commission decision approving a large state subsidy for the Spanish airline Iberia.

Ministers and MPs denounced the ruling by Mr Neil Kinnock, the EU transport commissioner, to approve around Pta87bn (\$713m) aid to the airline as a "depressingly weak deci-

Viscount Goschen, Britain's aviation minister, said he would study the judgment, and added he "certainly

Unions urge

preparation for

monetary union

Britain's Trades Union Congress is proposing a joint campaign with the Bank of England and the Confederation of British

Industry to establish a national consensus on preparations for

possible participation in European Economic and Monetary

Senior union leaders believe the UK cannot afford to stand

aside from Emu in the hope that it will never happen, or that

it will quickly fail. They will propose shortly that Mr John Monks, the TUC general secretary, Mr Eddie George, the governor of the Bank of England and Mr Adair Turner, the director-general of the CBI, join a task force to examine all the

Union leaders are convinced that the Euro would help to prevent currency speculation and assist collective bargaining

Union leaders also believe the UK would face the danger of

isolation if it decides to stay outside a common currency area. They argue that the UK committed itself at the EU Council

in Madrid in December to accept a high degree of monetary

However, the TUC is pressing for a commitment to full

employment to be written into the new EU treaty that will

Robert Taylor, Employment Editor

emerge from this year's intergovernmental conference.

Short-term contracts take hold

Workers employed on short-term contracts to meet sudden

increases in demand are becoming an important part of UK

industry as Japanese-style manufacturing techniques spread.

A Financial Times study has revealed a 87.5 per cent-increase in five years in the numbers of manufacturing

employees on temporary contracts. These can be for as little

The use of such workers has become critical to many manu-

facturers, which are switching to just-in-time working prac-tices, in which stocks are minimised and companies turn out

Several companies - including the UK divisions of Black &

Decker and Procter & Gamble - say temporary production

workers fuve helped them improve competitiveness, especially in continental Europe.

Peter Marsh, London

stantial chunk of reinsurance coverage for the California. Earthquake Authority, a state-sponsored body set up to project homeowners against a large-scale catastrophe.

Lloyd's non-marine insurers are providing some \$394m in capacity, and other London insurers are underwriting a further \$71m of cover. The contributions are part of \$25m in cover

being sort as part of a complex \$10.5bn reinsurance programme, providing different amounts of cover according to the severity of any incident. Mr David Rowland, Lloyd's chairman,

recently met the project's instigator, Mr Chuck Quackenbush, the California insurance commissioner. Yesterday Mr Rowland said: "The market continues to be a world leader when it

comes to finding solutions in some of the most difficult areas."

Overseas sales shown declining Fresh signs that export growth is weakening after the surges

Fresh signs that export growth is weakening after the surges seen earlier in the recovery emerged yesterday in a business survey. A report by DHL, the express package service, and Gallup, the polling organisation, found that the proportion of companies reporting strong overseas sales fell slightly in the last quarter. Of the 1,000 companies surveyed at the end of 1995 only 54 per cent said that export expectations for the next three months were "good" or "excellent". Although this level is relatively healthy, it is the lowest since the end of 1993.

Gillian Tett, Economics Staff

Panasonic UK is to invest £40m (\$60.4m) in a new semi-automated warehouse in Northampton, creating about 100 jobs. mated warehouse in Northampton, decame about to jour, The company, a member of the Japanese Matsushita group, will buy 52 acres of an existing distribution estate shared with Coca Cola, GE Lighting and Black & Decker. The new ware-

house will occupy 17 acres and the remainder will be available for expansion. Mr Michael Brooke, managing director of Pana-

sonic Logistics, said that the warehouse would serve
Passonic's distribution needs in the south and Midlands from
July next year.

Alon Cane. London

Cars 'most popular perk'

Panasonic to create 100 jobs

Ralph Atkins, Insurance Correspondent

Gillian Tett, Economics Staff

Insurers back quake coverage London-based insurers, including Lloyd's, are providing a sub-

as one day, though typically last from three to six months.

UK NEWS DIGEST

UK's options.

across the EU's labour markets.

goods quickly to fill orders.

convergence, whether it joins Emu or not.

would not rule out" a European Court challenge to the ruling. "We have already shown our resolve," he said in a reference to the pending challenge to Air France's state aid.

British Airways expressed "surprise" but is waiting to read the terms of the agreement before deciding on possible court action. Mr Kinnock has justified his posi-

tion by saying the Spanish government's rescue package for the troubled airline should not be categorised as state aid in the traditional sense. He argued that the sum fell far short of Iberia's original demand for Pta130bn and that it had already

taken substantial steps to turn itself investor would have been prepared to into a viable enterprise. A further Pta20bn is available next year if Iberia can demonstrate its viability.

As part of its restructuring, the airline has been forced to sell its 85 per cent stake in the lossmaking Aerolineas Argentinas, which had been draining it of about \$900m a year. It has also frozen all salaries and made 3,000 workers redundant.

Mr Kinnock said the new investment could be justified on strict commercial grounds under what is known as the "market investor principle". This allows government investment if the Commission is satisfied a private

act in the same way.

However, Lord Goschen disputed Mr Kinnock's argument saying: "If this was a commercial decision, where were the banks? I can't believe anyone seriously believes Iberia is a sound investment.

He derided the ruling as "depressingly weak", adding: "We have worked so hard to get an open market in aviation and this flies in the face of what we have been doing.'

Sir George Young, the transport secretary, said the former Labour party leader's decision could "under-mine all our efforts to establish fair competition in the community aviation market".

Tory MPs were even more furious. Mr Neil Hamilton, former industry minister and a leading Eurosceptic, described the decision as "another Brussels subsidised attack on Britain's efficient private enterprise airlines

"The British government should bang the table and complain at this unfair competition undermining British Airways and other efficient British private sector companies, so that lossmaking state airlines throughout Europe can be subsidised, sometimes through the back door," he said.

### hits air traffic control complex Business Correspondent

Computer delay

By Michael Cassett,

The opening of Europe's largest air traffic control centre at Swanwick, near Fareham in Hampshire, has been postponed for a year because of serious problems in installing computer software systems.

The £350m (\$528m) development, to take responsibility for all air traffic control in England and Wales, was due to open in December this year but will not now become operational until December 1997.

Mr Derek McLauchlan, chief executive of National Air Traffic Safety Services, the air traffic control arm of the Civil Aviation Authority, said he was disappointed by the delay but that there was "no question of introducing any new system unless it is absolutely safe".

The IPMS union, which represents 3.500 UK air traffic con-

trollers, said the delay was "regrettable" but that safety was of paramount importance to its members.

Building work on the centre was completed in 1995 and it is understood that the problems - in attempts to install and integrate 2m lines of software

 began to emerge towards the end of last year. . A NATS spokeswoman said the contractors handling the installation, a consortium led by Loral Systems of the US and also including Siemens Plessey and Frequentis, had "run into snags with an extraordinarily complex task". When it was announced in 1992, the con-

tract was valued at £130m. Swanwick will take over from the London Area and Terminal Control Centre at West Drayton in Middlesex and will be among the world's largest air traffic control complexes.

The investment by the NATS forms part of a planned £650m programme to concentrate its operations at Swanwick and at Prestwick in Scotland, which is scheduled to begin operating at the start of the next decade. Last year, the government said the planned £200m Pres-twick centre, to handle traffic over Scotland and the northeastern Atlantic, would have to be built, equipped and owned

by a consortium of private sec-tor companies. But the CAA said the government's private finance initiative was an inappropriate way of funding air traffic control investment.

### Tradepoint in Bloomberg link-up

Tradepoint Investment Exchange, the rival to the London Stock Exchange, said yesterday that it has signed an agreement with data and information provider Bloomberg which will allow those using Bloomberg's 55,000 terminals worldwide to execute trades in

UK shares. This means that traders and investors with Bloomberg screens can obtain direct access to the London market, bypassing intermediaries. About half of Bloomberg's screens are based in the US market where users prefer the type of dealing system used by

system operated by the London Stock Exchange. Bloomberg also has a significant presence in the Asian markets. That means we are getting

global reach at no cost to our selves," said Mr Stephen Wilson. Tradepoint's executive director. "There is no way we could build that global reach ourselves," he said. Already, Mr Wilson said,

Tradepoint's volumes are rising by about 20 per cent each month. The number of trades in January rose to 350 from 110 in October and by volume, turnover last month totalled £30m (\$45.3m), up from £9m in minuscule relative to London stock exchange total turnover Mr Wilson said the trend is indicative of users' growing comfort with the system

For Bloomberg, which has agreed to invest in software for the venture, the move opens up the system to data from an alternative source. Mr Michael Bloomberg has so far largely resisted pressure from some subscribers to "open" the system so that competitors' data can be fed into Bloomberg screens and integrated into its analytic packages.

Tradepoint opened for business last October and offers an order-matching facility in

will buy or sell large blocks of shares and investors negotiate deals by phone. However, many investors particularly foreign investors have complained that trading costs in the UK are too high. The London stock exchange is currently considering how to expand its dealing system to include some order-matching

advertise firm prices at which

they are prepared to deal in set lots of shares and dealing is conducted electronically. It is

an alternative to the London

Stock Exchange's quote-driven

system on which market mak-

ers quote prices at which they

# No man has ever lost his way by keeping to the straight and narrow.

Why is Lyonnaise des Eaux successful

throughout the world?

Our professional competence. The quality of service we provide to our customers.

The assertion of our rules of conduct.

These are the foundations of trust.

Trust: let's talk about it! In many countries today, companies entering into major contracts or new strategic alliances are expected not only to prove their technical expertise

but also to present their

market. Today, that figure is 43% and, for the Group's Degrémont and Dumez-GTM units, it is as high as 60%. For the

world exemplary we have to start with ourselves.

We work in over a hundred different countries. Lyonnaise des Eaux is a world leader in the water segment, and through our GTM-Entrepose subsidiary, we are a major

10% of its sales outside its domestic

construction contractor. Overall, we are one of the most international French

code of ethics. Complying with the most by foreign investors. stringent principles is a winning strategy.

What developments can be seen at Lyonnaise des Eaux?

Let the figures speak for themselves.

Fifteen years ago, the Group generated

companies, with 30% of our capital held

What does that international success have to do with trust?

Our international growth is also the result

of the trust we have earned across the

world, even in some of the most demanding countries, from Australia to the USA.

Recent examples of trust?

The contract to provide water services to Greater Buenos Aires was awarded to Lyonnaise des Eaux after an intensive international competition. This project has the support of the World Bank and achievement in the water industry. We have also signed a multi-project agreement with the EBRD to develop services and infrastructure in Central and Eastern Europe. And, last December, our takeover bid for the key British water company, Northumbrian Water, was approved by

This is what we are implementing. This is how we are striving to make our Group exemplary. This is how we give pride to our 140,000 staff members. This is how we gain the trust of our shareholders and our customers.

British authorities.

Annual report and Code of ethics available on request: fax (33) 1 46 95 55 84.



72 avenue de la Liberté 92753 Nanterre. France

For more than a century, Lyonnaise des Eaux has provided its expertise in environmental services - water supply, distribution and treatment, waste management, energy supply - and in the construction field. The Group operates in more than a hundred countries worldwide and in 1994 generated \$20 billion in revenues.

### North Sea platform operators seek cost savings

By Robert Corzine

Regional operators of North Sea oil and gas platforms may emerge in future as a result of attempts to cut costs in the offshore oil industry.

Operating costs could be cut substantially, speakers at an industry conference in London yesterday suggested, if there were fewer operators in specific sections of the North

Under the present system there can be a large number of platform operators within a fairly small area.

But Mr Graham Hearne, head of there will need to be further new projects by 30 per cent. Capital Enterprise Oil, one of the UK's largest independent explorers, said that the industry should consider "area agreements where one or two companies do all the operating across swathes of blocks"

At present co-operation among operators of nearby fields is confined to the sharing of helicopters or supply boats. Any move to a single operator in an area would be a radical departure from current practice, say industry experts.

But most oil executives agree

improvements in the cost structure of the North Sea to maintain its competitiveness as international of companies become increasingly selective as to where they will

The competitiveness of the North

Sea has been boosted in recent years, in part because of an industry-wide initiative known as "cost reduction in the new era", or Crine. But the Crine initiative, which began three years ago, has focused

only on lowering the capital cost of

savings have also been made as a result of partnership arrangements, under which contractors bear some of the financial risk in exchange for sharing in any financial benefits if projects are completed under budget or uhead of a deadline.

Yesterday delegates considered whether Crine, which was the first such industry-wide cost reduction initiative in the UK, should be extended. They said the prospect of relatively soft oil prices for some time to come suggested that cost

reduction drives be enlarged to include exploration and appraisal of undeveloped fields and the long-term production phase of fields, including

Mr John Wils of BHP, the Australian oil company, said the Crine programme was a "valuable initiative reaching the end of its shelf life". Nothing "should be outside the remit" of its replacement, he said.

their eventual decommissioning.

Some delegates expressed concern, however, that the increasingly close relationship between big North Sea

main suppliers and contractors was stifling innovation. Mr John d'Ancona, a spokesman

for smaller companies in the sector, said the international competitiveness of Britain's offshore supply industry could suffer as a result of the "arid philosophy of partnering"

between the big companies.

Delegates said an industry fund might be created to ensure that money was available to allow innovative ideas from small companies to be developed into products for the

### **Pressure** grows to increase MPs' pay

By John Kampiner,

of Britain's MPs gathered momentum last night as several ministers expressed support for a call from more than half the total number of backbenchers for an independent review of salary levels:

Although a Commons motion, signed by 291 MPs, asked the Nolan committee to look into the question and report back by April 30, several suggested if would be better assigned to another panel such as the senior salaries

review body.

The opposition Labour party leadership expressed concern at what it said was a Tory campaign to distort the motion, linking the demand for an independent assessment with calls by some MPs for a doubling of their pay.

Lord Nolan, whose report on political impropriety last year has led to restrictions on MPs' outside earnings, said it was for the prime minister to change the remit of his com-

mittee to look into pay.

The current pay for MPs of 234,000 is well below most Western equivalents, although they are given generous office allowances and subsistence. Other devices to top up pay include using spouses as secre-taries and driving long distances to and from constituencies to earn mileage.

Previously MPs voted each year on pay and such was the embarrassment that the session was usually held late at night

Many MPs, especially Tories, believe their official estraings are so demeaning that they are deterring talented newcomers from joining. They argue that salaries have remained static over the past 30 years whereas average wages in real terms have gone up by 80 per cent.

Some 52 Conservatives have already, announced that they are standing down at the next election, some making clear their need to make up for lost time by taking jobs in the Gity.

### Farmers' leader raps | Dutch bank plans new City HQ

The president of Britain's National Farmers' Union yesterday attacked Mr Douglas Hogg, the agriculture minister, for calling for cuts in farm subsidies, as government figures showed farm incomes jumped last year to their highest for 20

Sir David Naish said the government "should be pleased we have a strong agriculture and that we are competitive - and not deprecate it".

Mr Hogg revealed in a letter in yesterday's Financial Times that he had written to Mr Franz Fischler, the EU's agriculture commissioner, saying arable farmers had enjoyed 'massive overcompensation' because EU market prices had fallen by less than expected at the time of the price-cutting reforms of the Common Agricultural Policy in 1992.

"I very much hope he will recommend the Agriculture Council to reduce the payment rates," wrote Mr Hogg.

Sir David, vigorously defending the 29 per cent real rise in farmers' incomes last year, said Mr Hogg was pressing the UK objective of further CAP reform without considering the interests of the other 14 memher states.

"Before he starts writing those sort of letters, he really ought to see what the effect in the strong currency countries has been, where they haven't had an effective 30 per cent devaluation of the pound," said Sir David, who is also presiRelief may be at hand for consumers fed up with the taste of milk substitutes and conventional heat-treated milks, Deborah Hargreaves

minister on CAP cash

Milk Marque, the farmers' dairy co-operative, has developed a process for treating fresh milk, which it says pre-serves the taste and freshness for up to 28 days.

engers aboard Britain's main airlines have been able to enjoy the extended-life milk with their morning cornflakes since October, following the launch of the product. The airline British Midland is planning to use the milk for all its tea and coffee in the next few

The Milk Marque process dent of Copa, the umbrella

European farmers' body. The agriculture ministry said farmers' incomes rose by £1bn last year to just above 24bn. Total income from farming, which includes payments to partners, directors and family workers as well as farmers and their spouses, rose 22 per

cent to £5bn. Mr Hogg said this was the fourth successive increase in total income, taking it back above the level of the early

1980s in real terms. Cereal farmers fared best. benefiting from high market prices and increased compensation payments. Pig farmers incomes recovered as prices rose from the depressed levels of recent years.

heats the milk to 120 degrees Celsius for a few seconds. At that temperature most bactoria are killed but the teste is not impaired, as it can be in ultra-heat-treated (UHT) milk which is heated to 140 degrees.

The milk is then packed into sterile boxes, which means it can be kept longer than pasteurised milk, where the containers are clean but not sterile. Unlike UHT milk, it has to be kept in the refrigerator.

Since October Farm Produce Marketing, a small company set up three years ago on a Cheshire dairy farm, has been marketing the extended-life milk to strikes. It is being offered on break-

fast flights as "Milk from Cheshire" in 125ml boxes.

Only the poultry sector showed a significant fail, because of the increased cost of cereal-based feed and lower output prices.

Sir David said more than 70 per cent of last year's increase in incomes came from higher market prices. "We're getting nearer to world prices, and that must be the way the industry is driven." He insisted that farm

incomes were recovering from very low levels in the late 1980s and early 1990s. "I'm not in the least ashamed that the industry is now making sensible profits ause it's reinvesting them in the countryside, and in plant and equipment to keep us competitive," be said. ABN Amro, the Dutch banking group, plans to build a new ever, the bank said that its total investment, before fittinginvestment banking headquarout the interior of the building, ters at Spitalfields, the site of was likely to amount to £90m. the former fruit market on the north-eastern edge of the City The 280,000 sq ft office block will be one of the largest con-struction projects undertaken

Wharf.

in the City. Last year Deutsche

Morgan Grenfell, the invest-

ment banking arm of Ger-

build an equally large head-

quarters in the Square Mile

rather than move to Canary

Earlier this month, however,

Barclays de Zoete Wedd, the

Barclays, said it would move

all of its City-based staff to

Canary Wharf. Other large

financial sector tenants in the

docklands include Morgan

business, said: "The view was

that a continued presence in

the City would strongly

The bank currently occupies

three sites in the City, includ-

ing two in Broadgate which

house Hoare Govett, the stock-

in addition to Canary What,

ABN considered building a headquarters on the site of the

former Mirror Group offices at

Holborn Circus, to the west of

the City. The freehold of this

site is also owned by the Cor-

The Spitalfields building will

be able to accommodate 2.500

staff, compared with ABN's

current London staff of about

1,000. Mr de Bièvre said that

ABN may expand its invest-

ment banking operations by the time the building is ready

poration of London.

broker it acquired in 1992.

Mr Louis de Bièvre, head of

Stanley, the US bank.

enhance our business."

of London. The decision will have been a relief for the Corporation of London, the City's local authority, which has been campaigning to stop financial sector companies relocating to Canary Wharf, the large office development in docklands.

The new steel and glass structure will mark the first phase of the planned rebuilding of Spitalfields - which has been earmarked for redevelopment for more than a decade." The site is owned by a consortium comprising BICC, the engineering and construction group, Costain, the construction company and SPP, the Swedish investment institution. Costain and Balfour

Beatty, a subsidiary of BICC, have been awarded the £50m (\$75.5m) construction contract. Spitalfields is only yards away from the Broadgate office development, which houses many of the City's most important financial sector tenants.

Unusually, the corporation has agreed to sell its freehold interest in part of the Spitalfields site to ABN Amro. The Dutch bank was keen to own both the building and the site. Mr Michael Cassidy, the chairman of the corporation's policy and resources committee, said the arrangement was a sign of how far the corporation was prepared to go to keep important tenants close to the

The price ABN is paying for the site was not revealed. Howfor occupation in 1998.



Going up: The planned ARN Ambro building in Spitalfields

"There is nothing on the drawing board but hardly a year has gone by in London without us making an acquisi-tion of some kind," he said. The developers will build 118

fund other local improvements as part of a package agreed with the local authority.

Simon London

#### **CONTRACTS & TENDERS**

INVITATION TO TEMPER MAKAGEMENT INFORMATION SYSTEMS POR RTC Ltd.

The Bulgarian Telecommunications Company Ltd. (BTC) has secured financing towards the cost of a "Data sing Infrastructure and Management Information Systems. for BTC" and a "Digital Microwave Radio Network" through a loan

of USD 30 millions from the IBRD (the World Bank). It is intended that part of the proceeds of this loan will be applied to eligible payments under contracts for Corporate Deta Processing Infrastructure, Management Information System and

Financial Management System. The main elements of the Bid Package are: Hardware and Software for BTC's Data Processing

Intrastructure MIS Tool

RDBMS for MIS

**Application UNIX Servers** 

PC Servers

Terminals and Communication Network Products Financial Management System BTC Ltd. now invites sealed Bids from eligible Bidders

for the supply, installation and test hardware and software, and provide consultancy and training services. A complete set of Bidding Documents can be purchased upon payment of a nonrefundable fee of 350 USD (or equivalent) at the office

Bulgarian Telecommunications Company Ltd. 8,Totaben Blvd., room N 621, 1606 Sofia, Bulgaria, Mr. B.Sokolov, Director Information Technologies\* Tel: (+359 2) 951 6623, Fax: (+359 2) 492 0022, Teles: 24 199

Bidding will be conducted through international competative bidding procedure under the Guidelines for Procurement of the World Bank.

All Bids must be accompanied by a Bid Security of 2% of the Bid amount. For clarification of this Project, a Pre-Bid conference for registered bidders will be held by BTC in Softal at 10:00 a.m. local time on 8 March 1996.

#### LEGAL NOTICES

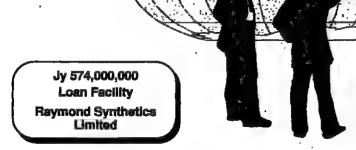
COURT OF ROME BANKRUPTCY SECTION

Bankruptcy so. 52748 of Immobiliare Frrancesca '81 s.r.l. At 12.30pm on 19.02.1996 the Official Receiver Dott.ssa De Virgilis is to sell small building in Montalcino (Siena; Italy). Base price Lit. 536,000,000 and Lit. 15,000,000 for the furniture, 25% deposit by 1pm on 16.92.1996. Receiver Tel. +39 774 608677/608765



For more information, please contact.
Lesley Summer Tel: +44 (0) 171 873 3308 Fax: +44 (0) 171 873 3064

YOUR PASSAGE TO INDIA



US\$ 8,280,000 Loan Facility The Fertillsers & Chemicals

Travançore Limited

CHF 8,000,000

Rate Swap

Cross Currency Interest Emirates Grain Product

US\$ 15,000,000 Long Term Currency Swap **Twentieth Century** Finance Corp. Limited

The Bank has a Line of Credit at its disposal for DEM 30/-mn. for financing import of capital goods from Germany and a Portuguese Line of Credit of US\$ 15mm. was in place from 7th April 1995.

#### **OUR PROFILE**

87 Years' Banking Experience

US\$ 10,000,000

Line of Credit

Tata Information

Systems Limited

- 43 Years' International Banking Experience GlobalNetwork of 2457 Branches
- 36 Branches, 2 OBUs, 2 Subsidiaries and 2 associates outside India - The Largest
- Overseas Network among all Indian Banks. Capital of US\$ 235mn.
- Owned Funds of US\$ 502.56mn.
- Total Assets of US\$ 9,882mn. Capital adequacy ratio of 8.72%

BANK OF BARODA (Govt. of India Undertaking) Central Office International Division Mackinnou Mackenzie Building

Ballard Pier, BOMBAY 400 001 Bank of Baroda BANK OF BARODA Rue de la Loi No. 28 1040, Brussels, Belgium

#### **OUR SERVICE RANGE**

- Traditional Banking Products Money Transmission
- Trade Finance Including Pre-export Finance in Foreign Currency
- Corporate Loans and Derivatives
- Loan Syndications Custody Services
- Merchant Banking Process Agent in GDR Issues
- Advisory Services in India. Captial adequacy ratio of 8.72%

31/32, King Street, London EC2V 8EN U.K. BANK OF BARODA One Park Avenue, New York NY 1006 - USA 1 BANK OF BARODA

BANK OF BARODA

Offshore Banking Unit BOB Building, 4th Floor Sir William Newton Street. PORT LOUIS - MAURITIUS

#### Anacomo International N.V. 9% Convertible Subordinated Deburtures Due-January 15, 1996 Pursuant to Section 602 of the Indenture (the "Indenture"; capital-

NOTICE TO HOLDERS OF

ascribed to them in the Indenture) dated as of January 1, 1981 between Anacomp International N.V., as Issuer, Anacomp, Inc., as Guarantor and IBI Schroder Bank & Trust Company, as Successor Trustee pursuant to which the 9% Convertible Subordinated Debentures Due January 15, 1996 of Anacomp International N.V. were issued, you are hereby notified that Events of Default have occurred and are continuing by virtue of (i) the filing by the Company and the Guarantor on January 5, 1996 of voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code and (ii) the default in the payment of the principal of the Debentures at their Maturity.

Inquiries concerning this notice should be directed to either Nancy

Bessé, Vice President (212) 858-2235, or Thomas J. Bogert, Assistant Vice President (212) 858-2736, Facsimile No. (212) 858-2952, IBJ Schroder Bank & Trust Company, One State Street, New York, New York 10004.

BJ Schroder Back & Trest Company, as Successor Trustee

Dated: New York, New York Pebruary 1, 1996

de of Man. D MUNTHY, CA. EVIII NEEDOO, ENG Tel: +1 714 854 3344 Fac: +1 714 854 8987

The Financial Times plans to publish a Survey on on Wednesday, March 27

There have been some momentous changes in the country recently and the survey will cover the implications and the prospects for democracy, the economy in 1996 and beyond.

Other articles will cover the Banking system, foreign investment, the motor industry, the steel industry, the energy sector, privatisation, telecommunications and tourism. The survey will be distributed with the FT on that day and read by leading decision-makers in over 160 countries worldwide.

If you would like to advertise to this influential audience please contact:

Nina Kowalewska/Maciek Strnicki in Warsaw Tel/Fax. (48 22) 44-26-76/44-20-52

Patricia Surridge in London Tel: (171) 873 3426 Fax: (171) 873 3204

or your usual Financial Times representative

FT Surveys

Control of the second of the s

METRO ST

Y-1-

1777

22

FINANCIAL TIMES THURSDAY FEBRUARY 1 1996

t 175° - 2

ressured over the crease IPs' parties

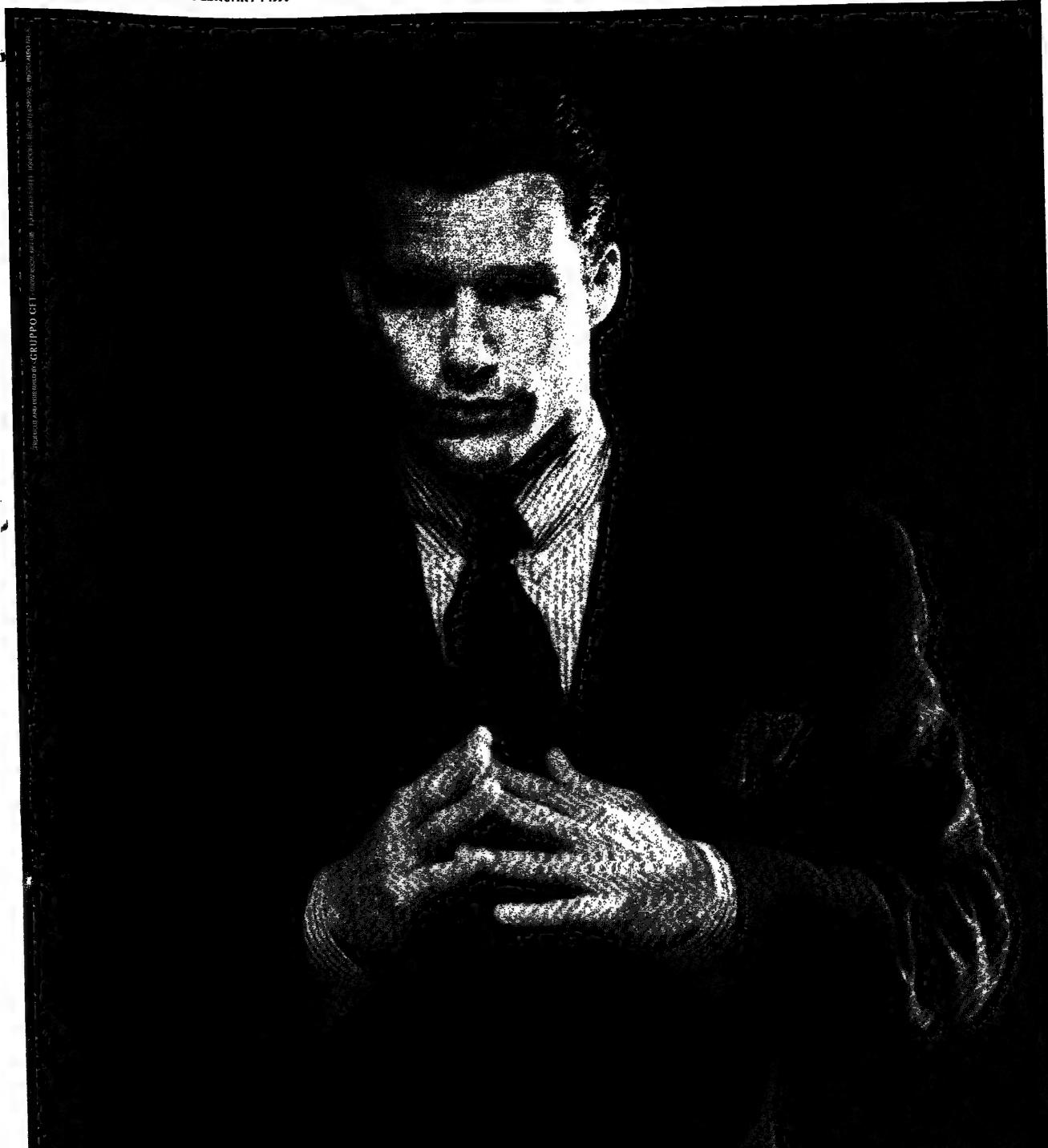
Post of Control

EDITOR OF THE STATE OF THE STAT

Sing of the long of the state o

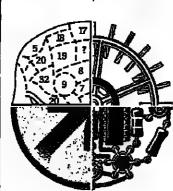
Maria de La Cara de Ca

機能を引く、このでは、 を持ち、このでは、 を持ち、 をもり、 



GIORGIO ARMANI LE COLLEZIONI

#### Worth Watching · Vanessa Houlder



#### New colour for fire-free resin

Plastics made of phenolic resins have superb fire retardant qualities. The drawback has been the difficulty of disguising their mattractive sludge brown colour without compromising performance.

BP Chemicals has developed a method of colouring phenolic resins which it believes will open up many new applications. Its Collobond Fibre Reinforced Plastic Colour is already being used for moulded panels on new London Underground trains. In fire tests it outperformed other

matrix resins.

BP Chemicals, UK, tel (0)1446 731000; fax (0)1446 731245.

#### **Tourist spots shoot** own holiday snaps

The holiday photos sold at tourist spots are going digital. Kodak is marketing a photo print system to the owners and operators of tourist attractions.

The system uses no chemicals. It has a digital camera to shoot the picture, a touch-screen monitor to preview the image on screen and a printer. The purchaser can make corrections to the colour and contrast before printing out the picture.

The system, which takes up to 60 pictures and 34 images over an hour, costs £15,995 plus VAT. Kodak: UK, tel (0)1442 61122; fax (0)1442 845118.

#### Suspect parcels kept in safe boxes

The delivery of a suspicious-looking parcel can cause enormous disruption to an organisation, even if it eventually proves to be entirely innocent. Aigis, a Derby-based company that specialises in blast protection equipment, has designed a

'suspect device isolation unit" -

a safe-like box into which the suspect package can be locked and moved elsewhere to be

examined or defused. If the bomb explodes, the device greatly reduces the force of the blast. The box is lined with a porous, resin-bonded aggregate material which inhibits the passage of the shock wave by breaking down as it absorbs some

of the blast energy. The material is also used to protect off-road vehicles and trucks against landmines and to protect rooms containing sensitive apparatus such as computers against explosions Aigis: UK, tel (0)1335 370960; fax (0)1335 370947.

#### Best drug cocktail yet for fighting HIV

Researchers from Merck, the US pharmaceutical company, have released encouraging evidence for the effectiveness of triple drug combinations in fighting HIV, the Aids virus, writes Clive Cookson. A mixture of two licensed Alimedicines from Glaxo Wellcome of the UK – AZT and 3TC – with Merck's experimental drug, indinavir, reduced levels of HIV to undetectable levels after four months treatment, in 24 out of 28 patients studied. Other combinations achieved good but

less spectacular results. Yesterday Merck applied to the **US Food & Drug Administration** for a drug licence for indinavir. It is likely to be the second of a new class of Aids drugs called protease inhibitors to reach the market. The first, Roche's saquinavir, was approved in the

Merck: US, tel 215 652 5000.

#### Hot moulding for thermoplastics

German researchers have developed a "hot moulding technique for moulding believe is simpler and cheaper than injection moulding.

The technique involves mixing ceramic powder with waxes and paraffins that melt at low temperatures. It is then warmed slightly and pressed into the mould at low pressure. After it has hardened, the binding agent is removed by evaporation. It is then fired at high temperatures. Fraunhofer Institute for Ceramic

Technologies: Germany: tel 3512558589; fax 3512558600.

"I love my Mac," says Melanie King, a Silicon Valley software industry executive. "God, I hope that Apple survives!" Amid reports of Apple Computer's mounting problems and a possible takeover bid for the personal computer industry pioneer. King frets about what all this may mean for her "cool" Macintosh com-

Her concerns are common among Macintosh users. Apple boasts the most loyal customers in the personal computer industry, but their faith is being put to the test by the uncertainties surrounding the com-

pany's future.
"Will the Macintosh be orphaned," they ask. In online discussion groups Mac fans express their fears of an Apple takeover. "It just would not be Apple," says one. "I think Sun [Microsystems] would ditch the Mac," warns another in response to reports that the computer workstation manufacturer is in talks with Apple. Then comes the critical question: "Given all of the uncertainties, should I buy a new

For computer buyers in search of a bargain, the answer may be yes.

Apple's lower than expected sales in
the quarter leading up to Christmas
have left the company with \$1.9hn
(£1.2hm) of stocks, much of it in lowend Macintosh PCs which are now expected to be offered at steeply discounted prices.

Apple's widely acclaimed Macintosh software, the company's reputation for quality products, and the prospects of price cuts make the Apple Macintosh an attractive purchase. But will Apple customers be able to obtain service, parts and software for a Macintosh computer they buy today if the company fal-

Despite all of its problems, Apple is not going to disappear overnight.
The company remains the world's third largest PC manufacturer, after Compaq Computer and Interna-tional Business Machines, with sales of \$11.1bn in its last fiscal year, ended September 30.

Moreover, with close to 22m Macintosh users worldwide and thou-sands of Macintosh retailers and consultants, it is highly unlikely that Apple will leave its customers without technical support or ser-

vice, analysts say.
"The risk of Apple going out of business and leaving no one to sup-port its products is almost zero," says Pleter Hartsook, editor of the Hartsook Letter, a computer industry newsletter.

another computer company, the chances of today's Macintosh users being abandoned are remote. Apple's most valuable esset is its brand name - it is the most widely recognised PC manufacturer worldwide – so any buyer of the company can be expected to defend Apple's

Even if Apple is acquired by



### Will Mac be orphaned?

Apple has the most loyal customers in the industry, says Louise Kehoe, but its future is uncertain

reputation among its customers, if Betamax, Sony's "non-standard" only to preserve the value of its

However, the continuing support of the Macintosh by software applications developers is less certain. Apple claims there are 1,400 "native" applications programs available for its latest Power Macintosh models, based on the PowerPC microprocessor chip jointly devel-

oped by Apple, Motorola and IBM. Many more Macintosh application programs are under development, Apple says. Increasingly, however, software developers are giving pri-ority to programs for standard PCs based on Intel microprocessor chips and Microsoft's Windows PC operating system software which account for more than 90 per cent of world

One of Apple's biggest challenges now is to maintain the support of these software developers. Without them, the Macintosh could become the PC industry's equivalent of a video tape player for which the supply of new recordings ran dry.
Corporate and college buyers of

the Apple Macintosh face greater risks. Many have invested heavily in special purpose software for the computers. Others have installed computer networks to link desktop

he Gartner Group, a US mar-ket research firm, has recom-mended that its corporate cli-ents "buy with caution" if they already own Macintosh computers. However, new Macintosh buyers should evaluate purchases care-

fully, industry analysis say. Already, however, there are signs that some of Apple's customers are switching to competing products. "We have picked up some Apple defectors," says Ted Waitt, chairman and chief executive of Gateway 2000, the fifth largest US PC mann-

Large Macintoch orders from at least two US school districts have been put on hold, competitors say. In Europe, similarly, Apple's corporate sales are believed to have slowed over the past few days. Meanwhile Apple's efforts to stem the tide are tinged with irony. In

his open letter to Apple customers, published in several newspapers, Michael Spindler, chief executive, invokes an old Apple theme: "Apple Forever". Long-time Apple observers may

recall, however, similar incantations when the old Apple II product line was being phased out a decade ago. At that time Apple adopted the motto "Apple II forever" to reassure users that the Macintosh would not make their computers obsolete. The Apple II is long since gone and so is much of the emphoria that surrounded the launch of Apple's

Macintosh in 1984. Nothing it. eeins, is forever, perhaps not even

(but let ach

ater this month the Western Space and Missile A Centre in Galifornia will launch a mission to study the hottest and windlest layer of the

earth's atmosphere. For three years, the US Poler satellite will study the solar wind – the high energy particles emitted by the sun - above the polar regions in the upper atmosphere. The spacecraft will travel in an orbit between 11.000km and 57,000km from the 11. Wiking and 57. Wiking from the earths through imperatures of under 1500°C and through wind speeds that on exceed hundreds of metres per second.

Scientists hope this work will produce new resigns into solar storing, which release particles and talkston that beginning the earth.

earth. These storms create the curtains of light known as the Northern and Southern lights, cause damage to the electronics on spacecraft and can disrupt adio communications and Joyen supplies on earth in 1989, for example, fluctuating magnetic fields caused by an explosion on the sun blacked out power across Quebec.

The instruments on the spacecraft will allow scientists to determine which of the energetic particles are part of the solar wind and which originate in the earth's ionosphere. The instruments can distinguish oxygen ions from the solar wind since they are much more highly charged than the ions produced

in the ionosphere. The results of the Polar mission will be compared with results from the European Space Agency's four Cluster spacecraft which will be launched this nimmer) and with ground-base observations made by the British Antarctic Survey. The survey is currently setting up instruments in Antarctica that will take continuous measurements to complement those of the Polar

The Polar satellite is part of the International Solar Terrestrial Physics programme which is investigating how the sun and

Vanessa Houlder

This announcement appears as a matter of record only

Omnium Genève S. A.

has sold

AB Anker Bank GmbH

Türk Boston Bank A. S.

The undersigned acted as exclusive adviser to Omnium Genève S. A.

#### DEUTSCHE HANDELSBANK AG

CREDIT LYONNAIS GROUP

January 1996

### **GUESS WHAT 300,000 INFLUENTIAL RUSSIANS** GET UP TO EVERY FRIDAY.

Apple Computer.

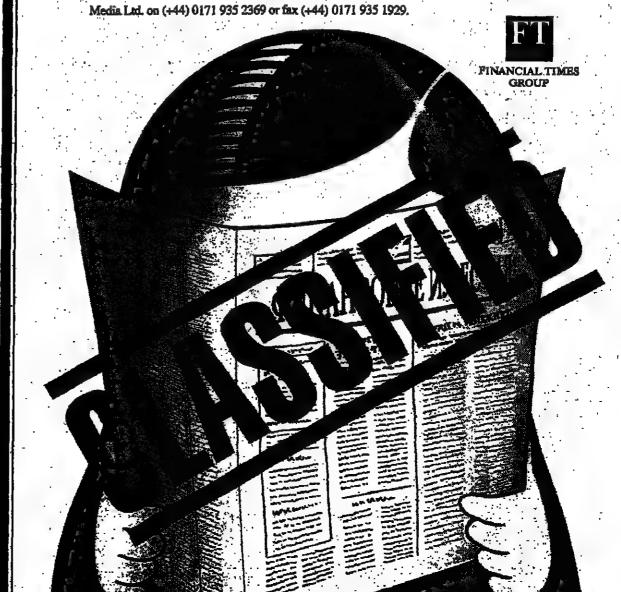
They bury themselves in the Classified Section of their Financial Izvestia.

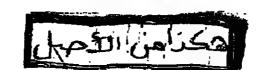
As well as all the national and international news and the informed comment they find in Tuesday's and Thursday's Financial Izvestia, Friday's pink pages have an added attraction.

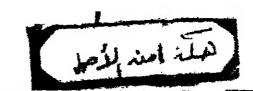
They hant through the Appointments and Real Estate, weigh up Business Opportunities and Franchises, check out Travel and Tourism offers and what's coming up in Conferences and Exhibitions, Education and Executive Courses.

They are business minded people, so where better to talk to them about your business than in Financial Izvestia - their authoritative, Russian language business newspaper.

For more information about advertising in the Classified Section, call Universal







LES MISERABLES (12) Claude Lelouch

)WE to

dr. edit

...

.

1.00

3 ...

1 14 1 14 1

N.T.

25. ×

171.

20-27-

F (120)

4 -, -

18 430

EMI

4%

Parties of the

Hgi : ...

43:3-

KATIA ISMAILOVA (18) Valerii Todorovsky

FATHER OF THE BRIDE PART II (PG) Charles Shyer and Nancy Meyers

laude Lelouch's Les Miserables and Valerii Todorovsky's Katia Ismailova are both based on texts so regularly adapted before that we marvel there is anything left to adapt. Les Mis has been a book, a play, ten movies and a musical. Nikolai Leskov's story The Lady Macbeth Of The Misensk Districi, which inspired Todorovsky's updated drama of passion and murder, has given us three films and a Shostakovich opera.

In Hollywood they would refer to the two Ms. Mis and Mtsensk, as "franchises": properties so productive that they spawn sequels and megadollars. Europe usually likes to be above such vulgar thinking, but Lelouch's Victor Hugo transposition, as one discovers over three hours, is not really above anything. The one-time director of Un Homme Et Une Femme, which reprocessed the French New Wave into pink-tinted surf for Anouk Aimée and Jean-Louis Trintignant as the slow-motion lovers, turns Hugo's tale into star-packed, passion-packed epic. Proving its transatiantic appeal, the movie won the Golden Globe award for best foreign film.

On this side of the ocean, filmgoers may be more sceptical. Lelouch takes Hugo's Valjean, the exconvict who trod his times becoming avenger, reconciler and man of wealth, and transports him to the 20th century to split him in two. Jean-Paul Belmondo plays Henri Fortin père, who dies in jail after being interned for a crime he never committed, while Belmondo also plays his son, by turn a boxer, removal driver and soldier of fortune

in the second world war. Fortin junior aids both the Nazis and the Resistance and is on hand to help the Normandy landings. He spends his few peaceful hours reading and re-imagining Les Mis - dramatised in gobbits by Lelouch with Belmondo tripling as Valjean while we are invited to note the parallels between then and now. The veteran French star's bruised magnetism and monkevish grin, swirled about by the music of Francis Un Homme Et Une Femme Lai, do more than anything give the film weight

ARTS



Jean-Paul Belmondo (far right), a human force-field in Claude Lelouch's updated version of 'Les Misérables', set in the 20th century

Cinema/Nigel Andrews

### Jump on the classic bandwagon

and depth. He creates a human force-field where none is really provided by the script or direction.

The film's secondary plot concerns a Fortin-assisted Jewish couple (Michel Boujenah, Alessandra Martines) who are harassed and divided by the Nazi persecution. She goes to Auschwitz while he is sheltered by a greedy farming couple, played with pantomime relish by Annie Girardot and Philippe Leotard.

In both cases we suspect that a happy ending will be engineered. For here as in previous Lelouch-works with a sweeping time span - Toute Une Vie, Partir Revenir - history and suffering end up as little more than different centres in the great chocolate-box assortment of Life. However crunchy some scenes or setbacks, the consumer is never in danger of cracking a tooth, let alone

Lelouch updated the novel, he says, in the belief that the 20th century's "miseries" are a match for those of the 18th or 19th. No quarrel with that. But even Hugo, with his tendency to favour melodrama over tragedy, never reduced human suffering to quite so relentless a series of picture-pretty tableaux - even Pa Fortin's snowbound jail resembles a Christmas card - and manipulative timental frissons.

Katia Ismailova stands back to let passion and murder speak for themselves. The heroine, played as an enigma with variations by the palely beautiful Ingeborga Dapkounsite, causes four deaths among her nearest and dearest. A stroke is assisted by her failure to fetch pills. A violent murder is committed while she stands by and abets. Two deaths by drowning wind up the final reel.

Bravely, the director yields us no ready check-list of her motives and emotions. Does she love her husband (Aleksandr Feklistov)? Does she love or respect his novelist mother (Alusa Freindlikh), whose works she

thumps out on a noisy typewriter? Probably not. Even her romance with the handsome, stubble-jawed carpenter (Vladimir Mashkov) who is working on her mother-in-law's dacha is presented as the exact opposite of "falling in love": more a rising in lust. Inflamed at her work table by his first nuzzling half-kiss, she raises her rapture-stiffened body to sit on the open window sill's edge, where with sharp breath and closed

At times the gnomic tone is frustrating. Some emphasis and inflection might have helped, in sharpening the other characters' outlines if not the mysterious Katia's. The film, like the dacha, feels barely furnished. And when Todorovsky throws in some token wreaths of Gothic mist for a midnight burial scene, we giggle at the incongruity. Out of Russian existentialism into Hammer horror? A movie which dares to portray affectlessness should not surrender to cheap effect;

eyes he completes his attentions.

though it might do more elsewhere to find its own metaphorical language for the voids it explores in human feeling.

Father Of The Bride Part II ends the week in a blaze of winsome clarity, sans subtitles or subtleties. Steve Martin and Diane Keaton still live in that white house on Wedding Cake Avenue, USA, Daughter Annie (Kimberley Williams), who took so long to get married in part one, takes even longer to have her first child in part two. Keaton herself gets sympathetically pregnant. And that crazy party-catering fellow Frank - pro-nounced Frank - is still played by Martin Short with buffa accent, bouffant hair and dialogue that it may be a mercy we cannot understand.

We understand everyone else's. It runs to tooth-rotting stuff like "Ohh Mohhm", "Ohh Dashhd", "Ohh Annie" and "Dr Eisenberg, these women are my life!" (Steve Martin to hospital midwife).

No wonder Martin at another point exciaims, "Hey, what are we, the Schmaltz family?" Yes, in a word. And your adoptive writer-directors Charles Shyer and Nancy Meyers need to spend several months at the de-tosh clinic before giving us the next instalment in this Disney confetti saga. Chances of brain-survival are

brighter at the Barbican or National Film Theatre. The first mounts a season of new Australian cinema, showing that there is more in that country where The Piano, Strictly Ballroom and Priscilla Queen Of The Desert came from. And the NFT launches a welcome, month-long season devoted to women directors. As so much man-directed American cinema is subsiding giggling into the Pacific as we speak, it may be time we gave a bigger chance to talents -on show here - like Kathryn Bigelow (Strange Days), Rose Troche (Go Fish) and Darnell Martin (I Like It

#### Opera Samson et Dalila

s the financial cuts bite, the Royal Opera will presumably resort to cancelling new productions. Two have already gone this season. including Massenet's rarely-performed *Hėrodiade*, a grand opera that combines sex and religion to sensual music reeking of a perfume that could only be French.

Saint-Saëns's Samson et Dalila meets most of that description too, which is probably why it was brought in as the replacement. The biblical set-ting, sultry Mid-Eastern afternoons where the sun beats down and the air hangs heavy, is very nearly identical ironic really, as the official reason why the Massenet was cancelled was that the sets

from Vienna did not fit. Sidney Nolan's designs for the Saint-Saëns remain both one of the most visually inspiring Royal Opera stagings from the 1980s and the most familiar. Nolan's use of colour is an object-lesson in creating atmosphere from a broad brush-stroke, even if the flooding of the deep red spotlight at this revival rather washes away his subtleties.

The opera depends almost wholly on its leading couple and it helps if Samson can be a tower of strength, metaphorically at least. The Argentinian tenor José Cura threw himself into the scenes of humiliation at the end with reckless aban-don and from a distance looks a bit like Sylvester Stallone, so his hare-banded destruction of the temple carried conviction. His voice is bright, strong when needed, well-focused, a promising Italianate tenor which is sounding better with each role he sings. What it lacks is depth of tone in softer, lyrical passages, though he found one answer to that when he uttered a tenderly muffled "Je t'aime" with his nose buried in Dalila's bosom.

Dolora Zajick, who was announced for the role, has withdrawn due to illness and her place has been taken hy the Greek mezzo Markella Hatziano. Deep and dignifled of voice, she makes a Dalila who is regally self-composed, confident of getting Samson's locks wound round her little finger. In the first act she gives the impression of keeping a tiger of a voice locked in its cage. In Dalila's big second act she lets it out occasionally to magnificent effect (the sound is grand unhurried, rich in colour), but still husbands her resources carefully. For all the sense of latent power, there is not much electricity being created inside the character. There was not much crackle

of sexual energy between the two of them in the love duet and the conductor, Jacques Delacote, might have helped by speeding the music along a little. Elsewhere, his elegant blend of orchestral sonorities brings a stylish Gallic input to the performance. Gregory Yurisich delivers the High Priest's curses with unstinting strength. Robert Lloyd brings sensitivity to the French style and language in the role of the old Hebrew. In sum, the revival is good enough for the many empty seats at the first night to be filled later.

Richard Fairman

Further performances until

Theatre/Alastair Macaulay

### Déjà vu in 'Les Enfants du Paradis'

nould you make a play of a classic film? The Royal Shakespeare Company's new staging of Les Enfants du Paradis involves a hefty amount of hubris, for, at almost every moment, it minds us of the much-loved 1945 French film, directed by Marcel Carné and written by Jacques Prévert. At four hours, this stage version is too long. Some of its casting and staging do not work. Nonetheless, most of the time the play reminds you happily of the film. Better, it probably works delightfully for those who do not know the film. Best, it occasionally exerts a life of its own powerful enough to help even those of us who have seen the film a few times to suspend our

Les Enfants the Paradis is the quintessence of high romance. Set in the Paris of 1820-40 that Balzac often penned, it is about the overlapping loves of folk who work in various forms of theatre. Garance - a Bohemian beauty with her own sure sense of honour, very much like Esmeralda in Hugo's Notre Dame de Paris - is loved by four wholly dissimilar men, two of whom are pre pared to kill to remove a rival. Baptiste Duburau is the lovelorn and transcendentally expressive Pierrot who loves her and whom she loves; but fate sunders them, time and

Simon Callow, who has adapted and directed this version, quite rightly emphasises its stagines gehands are visible, sometimes manipulating onstage spotlights. Robin Don has designed a hollow three-storey framework - turning and tilting on its raked stage like the revolving set of Pisa - which is transformed into a theatre, a bedroom, a different theatre, a dressing-room, a cafe . . . Christopher Woods's costumes exquisitely reproduce the look of each character from the film, and include a thrilling ruby gown which Garance wears on her return to Paris after eight years. Callow's English text is sometimes too prosaic (Frederick's signature line about Paris and lovers is, in French, an Alexandrine) and sometimes

hammy. John White has composed some excellent "busy" music for certain scene-changes, and the Garance-Bap-tiste affair is characterised by music reminiscent of the best part of the lovers' music in Kachaturian's Sportacus. Other passages, however, are anachronistic (a tango in the cafe) or woefully intrusive.

🕇 bree performances are, in contrasting ways, entranc-ing. Helen McCrory has never been more beautiful than as Garance; and she finds a telling combination of dignity and Bohemian directness. Joseph Fiennes is marvellously theatrical as the sly and sardonic assassin Lacenaire. And James Purefoy as the actor Frederick Lemaître creates a debonair actorly charm that in no way apes Pierre Brasseur's. The production, by the way, is dedicated by the RSC to the memory of Robert Step-hens, "the Frederick Lemaitre of his

Who could efface memories of Jean Louis Barrault as Baptiste? Rupert Graves's stubborn and ambitious naughty boy with South London vowels will not do. He has not the high-Romantic intensity of feel-

where in the movie Baptiste seems to die of suffocation and despair amid the crowd, like Petrushka -Graves is lifted by the carnival revellers as he yells "Garance!" lustily, several times. (Photographs of her face are blown up behind him: a bad mistake.) To make matters worse, Sylvestra Le Touzel, a sometimes excellent actress who here reverts to a most hammy pushiness, wholly misses the delicacy of feeling of Baptiste's wife Nathalie in her final scene. And it is Maria Casarès in this role that I miss most from the

ing that is Baptiste's. At the and ~

Several of the small roles are missed too, but Maggie Wells as Mme Hermine and James Faulkner as Avril make strong, funny, impres-sions. Perhaps cuts should be made - but in truth I regretted the few that have been made. In a Nicholas Nickleby sort of way, this anglicised Les Enfants du Paradis is vivid theatre. Its plunge into romance is a rare

In repertory at the Barbican Theatre until March 16 (0171-638 8891).



Alastair Muir

February 15.



#### AMSTERDAM

CONCERT Concertgebouw Tel: 31-20-5730573 Gustav Leonhardt: the harpsichord-player/organist performs works by Purcell, Gibbons, Tomkins, Locke, Blow, Croft and Randall; 8.15pm; Feb 5 Schoenberg Kwartet: with bartone Romain Bischoff perform Schoeck's Notturno, Hindemith's String Quartet No.3 and Shostakovich's String Quartet No.11 in F minor, Op.22; 8.15pm; Feb 3

#### ■ BERLIN

CONCERT Staatsoper unter den Linden Tel: 49-30-2082861 L'Opera seria: by Gassmann. Conducted by René Jacobs and performed by the Staatsoper unter den Linden. Soloists include Laura Alkin, Dorothea Röschmann, Bernd Zettisch and Klaus Häger, 7pm: Feb Conteche Oper Tel: 49-30-202600

 The Legend of Tsar Saltan: by Rimsky-Korsakov. Conducted by Michail Jurowski and performed by the Komische Oper Berlin. Soloists include Passow, Bach-Röhr and Stemberger, 6pm; Feb 3, 4 (11am)

#### BOLOGNA CONCERT

Teatro Comunale di Bologna Tel: 39-51-529999 Mzia Simonishvili: the planist performs Beethoven's Sonata Op.31 No.2, Liszt's Mephisto Walzer, Mozart's Fantasia KV 397 and Prokofiev's Sonata No.2 Op.14; 9pm; Feb 5

#### CANBERRA EXHIBITION

National Gallery of Australia Tel: 61-6-240-6411 The Vision of Kings: Art and Experience in India: exhibition of sculptures, paintings and other related works of art created over a period of 2,000 years for Hindu, Buddhist, Jain and Muslim patrons Central to the creation of art in India was the vision of the kings who were the main (though not exclusive) patrons of Indian art until the modern period. The display includes some 100 works from Indian. Australian, European and American collections; to Feb 4

#### CHICAGO

EXHIBITION Museum of Contemporary Art Tel: 1-312-280-2660 Andres Serrano: Works 1983-1993: the first major mid-career retrospective of

Serrano's large-scale Cibachrome photographs, featuring more than 50 works created during the last 10 years, Serrano's work often examines controversial subjects such as religion, raciem

#### ■ COPENHAGEN DANCE

homelessness and death; to Feb 4

**Det Kongelige Teater** Tel: 45-33 14 10 02 The Sleeping Beauty: a choreography by Petipa/Tomasson to music by Tchaikovsky, performed by the Royal Danish Ballet. Soloists include Silja Schandorff and Aage Thordal Christensen (Feb 1, 3), and Caroline Cavallo and Jean-Lucien Massot (Feb 8, 10, 12); 8pm; Feb 1, 3. 8. 10, 12

#### **DUBLIN**

EXHIBITION Irish Museum of Modern Art Tel: 353-1-6718666 Images of Solidarity Re-examined: this exhibition sets out to examine the question of how photographic images communicate and how the context in which they are placed influences that communication. The display is based on a set of photographs taken by Irish people on work brigades in Nicaragua in the late 1980s and on public reaction to them when they were originally exhibited in 1991. The exhibition begins with the original images and then takes the viewer through a series of installations which reveal how the preconcieved ideas of both the photographer and the viewer condition the reading and, ultimately,

#### the meaning of the work; to Feb 4

#### DUSSELDORF CONCERT

Tonhalle Düsseldori Royal Philharmonic Orchestra: with conductor Dirk Joeres perform works by Gade, R. Schumann and Brahms; 8pm; Feb 3

#### HANOVER EXHIBITION

Sprengel Museum Tel: 49-511-1683875

 Allan McCollum; Natural Copies: exhibition of more than 800 objects created and collected by Allan McCollum for his projects The Dog from Pompei, Lost Objects, and Natural Copies from the Coal Mines of Central Utah; to Feb 4

#### **LONDON**

**OPERA** London Coliseum Tel: 44-171-8360111 Les Pécheurs de Perles: by Bizet (in English). Conducted by Emmanuel Joel (Feb 3) and Michael Lloyd (Feb 7) and performed by the English National Opera. Soloists include John Hudson, Elizabeth Woollett, Michael Lewis and Mark Richardson; 6.30pm; Feb 3, 7 (7.30pm)

#### ■ METZ

DANCE

L'Arsenal Tel: 33-87 39 92 00 Nult a choreography for nine dancers by Mathilde Monnier, EXHIBITION performed by the Centre

#### Chorègraphique de Montpellier; 8.30pm; Feb 2

#### ■ NEW YORK CONCERT Carnegie Hall Tel: 1-212-247-7800

 St Petersburg Philharmonic Orchestra: with conductor Yuri Temirkanov and violinist Pamela Frank perform Bruch's Violin Concerto No.1 in G minor, Slonimsky's St Petersburg's Visions, and Mahler's Symphony No.1 in D major (Titan); 8pm; Feb 5 New York Public Library for the Performing Arts - Bruno Walter Auditorium Tel: 1-212-870-1721 Douglas Riva: the pianist pays tribute to the Spanish composer and planist Enrique Granados; 3pm; Feb

DANCE New York State Theater Tel: 1-212-875-5570 New York City Ballet: perform the choreographies Divertimento No. 15, by Balanchine to music by Mozart, Opus 19/The Dreamer, by Robbins to music by Prokofiev, Glazounov Pas de Deux, by Watson to music by Glazunov, and Symphony in Three Movements, by Balanchine to music by Stravinsky; 8pm; Feb 2

#### PARIS

CONCERT Saile Gayeau Tel: 33-1 49 53 05 07 Jean-Philippe Lafont: recital by the baritone. The programme includes works by Handel, Gluck, Mendelssohn, Mozart, Mahler. Fauré, Duparc, Schubert and Poulenc; 8.30pm; Feb 5 Fondation Cartier pour l'Art

#### Contemporain Tel: 33-1 42 18 56 50

 By Night: exhibition devoted to the night and the way it has inspired painters, photographers, video and film makers. The display includes works by Edouard Vuillard, Félix Vallotton, Otto Dix, Weegee, Robert Frank, Pierre Molinier, Cindy Sherman, Wolfgang Tillmans, Felbx Gonzalez Torres and others; from Feb 2 to May 19

#### SAN FRANCISCO EXHIBITION MOMA - Museum of Modern Art

Tel: 1-415-357-4000 An Everyday Modernism: The Houses of William Wurster. drawings, models and photographs explore the 50-year career of the Bay Area architect. Wurster's homes, both urban and suburban, embody his principles of simplicity and economy, at the same time that they respond to environmental Conditions. Wuster joined forces with landscape architect Thomas Church to create living environments that reflected the conditions of northern California; to Feb 4

#### ■ WASHINGTON **OPERA**

Eisenhower Theater Tel: 1-202-467 4600 Il Barbiere di Siviglia; by Rossini. Conducted by Heinz Fricke and performed by the Washington Opera. Soloists include Michael Chioldi, Vivica Genaux and Brian

Nedvin: 7.30pm; Feb 3, 6

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ

EUROPEAN CABLE AND SATELLITE BUSINESS TV (Central European Time) MONDAY TO FRIDAY

NBC/Super Channel:

FT Business Moming

European Money Wheel Nonstop live coverage until 14.00 of European

business and the financial

17.30 Financial Times Business Tonight

markets

Financial Times Business

Tonight



Economic Viewpoint • Samuel Brittan

### The snares of stakeholding

Managers who are theoretically responsible to workers, suppliers, customers and the general public are in practice accountable to no-one in particular

When Tony Blair, the leader of the opposition, embraced the stakeholder concept in his recent speech in Singapore, the Conservative government characteristically could not make up its mind how to respond. Some of the press briefings denounced the idea as socialism or corporatism or a return to trade union power. But others said that the Conservatives already embraced the stakeholder idea and that there was nothing new in Mr Blair's speech.

Both responses are wrong. The stakeholder idea of the company is not the same as trade union power. Nor is it the same as corporatism, which is mainly used for the tripartite setting of economic policy by central bodies of unions, employers and governments. And anyone can say platitudinously that every citizen in a democratic country should have a stake in national prosperity, or more tendentiously that if they do not have a stake they will riot. If used too loosely, this useful word will go the way of "democracy". "community" and others, and degenerate into a meaningless soundbite. But the expression stakeholder has acquired a much more definite meaning in recent discussions of how corporations ought to be gov-erned. The stakeholder theory is offered by its exponents as tional view that companies should be run in the interests of their shareholders. It is because the word stakeholder has become controversial enough to antagonise some chief executives that the recent study on the future of the company by the Royal Society of Arts tried to broaden the duties of directors without mentioning the dreaded "s" word.

According to corporate practice, the rights of ownership belong to those who enjoy the residual gains, or bear the residual losses, of a corporation, when all contractual payments have been made. In

ual belongs to those who put up capital on other than fixed interest terms.

But it does not have to be like that. The worker-owned business is probably rarer than the consumer cooperative, but where it has succeeded it has achieved more noteworthy results. In the US Employee Share Ownership Plans, the equity is owned by the workers. This also applies to a select band of British companies, the bestknown of which is the John Lewis Partnership, the retailing group. Internationally the best-known example is the Mondragon group of enter-prises based in the Basque region of Spain.

There are good reasons why those who put up capital should usually employ the workers rather than the other way round. There is room for experiment with more diversified forms of ownership, but it is probably too difficult under British conventions for a public company to transform itself into an employee-owned one even if the shareholders are willing to be bought out. Most of the existing employeeowned businesses were originally family companies with owners who did not wish to leave them to their descen-

But whoever owns the equity, the role of the management is clear: it is to maximise the value of that equity. It is the object of the law, unwrit-ten rules and public policy to ensure that their efforts to do so benefit the wider public. There is also usually enough uncertainty about what will maximise long-term profits to justify many different approaches to the treatment of workers, customers, suppliers and others. Capitalism will not collapse if a business tries to produce a pleasant working environment or provides a playing field at the back of the establishment.

The economic argument for profit maximisation is that companies will prosper in a

a national or international lemand and supply them at the lowest cost. The resulting growth of prosperity brings greater gain to workers and customers than more nebulous and unenforceable goals. Adam Smith made the famous remark about not depending on the benevolence of the baker for our daily bread. He also said that little good came of businessmen who professed to trade in the public interest. Motivation apart, businessmen do not have the knowledge to advance the public interest directly and will serve their fellows best if they concentrate on maximising their shareholders' equity rather than on promoting exports.

combating global warming or solving political problems. There has been a long discussion in business economics of the "principal-agent prob-lem". This concerns how to make the professional manager act in the interests of the ultimate owners. The threat of takeover is a crude enforcement mechanism, but one

simply to dissolve this problem in a general mushiness. Everyone is supposed to promote the interests of everyone else and no-one is really accountable for anything. Management is theoretically responsible not only to shareholders or even to workers. but to suppliers, customers and the public at large. This has no operational meaning. In practice it is simply a charter for management to do what it likes without accountability to the owners of the business. Managers will try to get away with this, but fortunately they rarely can.

There are too many romantic notions about how businesses are run in the Germanspeaking countries. As a Financial Times reader, David Morgan, remarked in a letter from Switzerland published on January 24: "It is a warm, comforting notion [that] the chief executive who stands before his shareholders [could] justify a big training initiative without being able to say that he believes it will lead to profit now or in the future. I



competitive market if they supply services for which there is which is hard to improve. am quite sure that chief executly services for which there is the stakeholder approach is utive would last no longer in The stakeholder approach is utive would last no longer in Switzerland than in the UK, and rightly so."

capital that it needs.

nouncements of stakeholder theorists. Such theorists say that managements should look beyond the bottom line and mere financial return. On the other hand, they are quick to tell their opponents that com-panies which adopt the practices of which they approve will also be more prosperous. It is like the old Welsh preacher who waxed eloquent about the moral virtues of honesty, adding just before he left the pulpit that it also paid. stakeholding is not one of economics but of psychology and motivation. Someone who is theoretically responsible to everyone for everything is in practice not responsible to anyone for anything. People function best if they have spe-cific responsibilities for which they are held accountable by means which are transparent, verifiable and respect the real-

The advantage of a traditional company is that there is a specific goal for which its managers are held accountable. As Elaine Sternberg, the business consultant, has said, the "socially responsible" business is a loose cannon and a menace to itself and others

According to a study in sup-port of stakeholding by John Kay and Auhrey Silberston (NIESR Review, August 1995), a stakeholder corporation would have the task of "promoting the business of a company and to balance the claims of investors, suppliers and employees". But they do not explain how a stakeholder corporation would take the ential business decisions of deciding which product and services to make, for which markets and by what methods, what to charge customers and how to raise any extra

There is also a deliberate ambiguity about the pro-The core argument against

ing and arms dealing. they would have got onto Maxwell's boat in mid-Atlantic.

for a chameleon Davies' answer that any of publisher Rob- Maxwell's foreign contacts

attempt investigate his life. Even after his death, any account faces, One is the desire of those involved in the collapsed empire to portray themselves alive than dead.

in the best light. A second is that some of the most colourful anecdotes are already well known. There is, for example, the story – perhaps apocryphal but ubiquitous – of Maxwell urinating from the roof of the Daily Mirror building, mocking the people below because "they avoid boasting."
He gives Maxwell credit for don't even know someone is sing on them". A third, the most troublefounding The European news-

some, is the nature of his life. Faced with an obstruction, his instinct was to change subject, travel to another country, even change what he was wearing. Neither Bower nor Davies portray him as mad, but the discontinuity which he found so convenient and which created the confusion that enabled his empire to accumulate £4bn of bt, makes a chronicle of his life hard to tell. Davies chooses to focus on

one question: how Maxwell died. His conclusion, murder, leads him into an account of Maxwell's "secret life" - the foreign diplomacy, the links with the Soviet Union, Bulgaria and Israel, the contacts with the Soviet and British intelligence services which led to repeated accusations of spy-

But he has little more to go on than other writers in these murky realms. He argues in a compelling last chapter that the murder theory leaves fewer forensic loose ends than other explanations. This requires him to explain who might have wanted Maxwell dead and how

could have wanted him dead is, in the end, unconvincing.

FOREIGN BODY - THE SECRET LIFE OF MAXWELL: By Russell Davies Bloomsbury, £14.99

> MAXWELL - THE FINAL VERDICT: By Tom Bower HarperCollins, £16.99

The difficult search

obstruct any For all Maxwell's selfaggrandisement, it was money and finance rather than his compulsive quasi-diplomacy that dominated his life, particularly in the last two years. And to his creditors, he was, without doubt, worth more

However, doubts about the central thesis should not deter readers from this thoughtful and witty account of Maxwell's life. Davies quotes the publisher's advice to his son: "Remember a listener is always more appreciated than a talker and

paper: "Maxwell knew more about Europe than the British customarily wanted to know."
He is particularly perceptive about Maxwell's infantile disposition. Describing his rage about "why my parents went" to their death without a com-plaint, Davies observes: What complaint could Maxwell have expected his parents, or any other Holocaust victim, to register, in the face of the Nazis' military-industriel programme of homicide?"

He adds: "His [Maxwell's] emotions were uncontrollable on the subject of the Holocaust; and as Elizabeth Maxwell's book makes clear, he treated his wife, during their last years together, uncontrol-lably badly. Both sets of behavlour, as she knew, had the same psychological root." In the end, did he treat him-

self that way? The theory of suicide is rejected by most writers who knew Maxwell as being against the nature of the man. Yet that conclusion is not incompatible with the portrait Davies draws.

Tom Bower sets himself on a different enterprise. Before phy, Maxwell the Outsider, against ferocious legal obstacles thrown up by his subject. His latest investigation concentrates on reconstructing the last year of Maxwell's life.

centr on the

umi

In doing so, it has provided an outstanding indictment, conversation by conversation, signature by signature, of the behaviour of some of the financial community and the direc-tors who took the Maxwell shilling. Bower has meticulously reconstructed these transactions and answers many past puzzles – such as how Maxwell mysteriously produced earnings of £80.7m from foreign currency trading in the

The book is not an easy read. It is dense; indeed, it is the closest experience most members of the public will have to being a member of the jury in the recent Maxwell trial. In his preface. Bower warns that proper journalism ... is often complicated to read, unentertaining and inconclusive".

He has a fondness for cliché - "emotions raged across the courtroom" while "the ghost of Robert Maxwell bellowed in dency to bland generalisation: The theatricality, the egocentricity and the vanity of the man were unsurpassed."

And those who are searching to understand Maxwell's emotions may find it frustrating. Bower warns that "those who attempted to understand his psychology invariably failed, because both his motives and his reasoning were unique". It is hard to discern, for example, whether Maxwell was afraid, either of being found out or of his empire collapsing.

But those considerations aside, Bower's latest investigation, like his first, is a valuable and impressive record of the anatomy of one of the most dramatic corporate collapses

## KEEP YOUR IUDGEMENT RAZOR SHARP



Each month, Money Management sums up the case for and against a range of financial products - with regular features, insights and detailed analysis to to help you get important decisions right. Plus our statistics are renowned for being the most comprehensive available to the industry.

Money Management is the essential reference source for anyone in financial services. Make sure you have your own personal copy delivered directly to you every single month.

### SPECIAL OFFER



Take advantage of a special introductory offer and save 10% off a year's subscription.

Card number	ex Visa Access Diners C Expiry Date	
Signature Mr/Mrs/Miss/Ms	Date  ob Title	
Company Private Address		
	Postco	ode
Telephone No	Fax No.	

### LETERS ROTTEEFERS.

Number One Southwark Bridge London Stall
We are to encourage letters from readers around the world. Letters dury be introduct
to fine) a shall letters edisoper com Translation may be realishe for letters with a letters.

### IMF should sustain support of Russian recovery

From Professor Padma Desai. Sir, In 'Russia steps backwards" (January 26), you raise legitimate concern about the continuation of the 1995 "macroeconomic reins" in view of the increased budgetary outlays announced by President Yeltsin for payment of overdue wages and salaries to government employees and

increased pensions. The problem is even more acute because the president has sanctioned more allocations for rebuilding war-ravaged Chechnya than than allowed in the 1996 budget. The projected revenues of the budget are also as problematic as the anticipated increases in outlays. Revenu<del>e</del> from the sale to investors of government stock in Russia's 20,000 large factories on the

"federal list", expected to raise up to \$3bn for the 1995 budget, will certainly fall short. The Communists and agrarians in the pre-election Duma had opposed the programme in June 1994. The new Duma. with its incressed strength. can be expected to be more

intransigent. The 1996 targets adopted by the previous Duma of a monthly inflation rate of 1.9 per cent and a projected budget deficit of 3.9 per cent of gross domestic product are then in jeopardy. The options facing the International Monetary Fund, which is negotiating a \$9bn credit with the Russian government, are the following Stick to the 1996 inflation and budget deficit targets and the promised support;

 revise these targets down as unrealistic maintain the targets but increase the support temporarily to offset the added budgetary shortfall.

The first option is likely to force the Russian government into abandoning monetary and fiscal discipline as a political necessity, reversing the steady stabilisation gains of 1995. The second option sends the wrong signal that the IMF is willing to give up on these gains. The third option seems to offer the wisest course. Under the IMF's persistent prodding and strict monitoring, the economy's management has changed from bureaucratic controls to market-type instruments. Most prices are free, the quantitative trade

restrictions have been done

Reconciling the political

aim of Emu with reality

away with, the export taxes have been removed, and energy prices are moving closer to world levels. The inflation rate has steadily come down from 2,600 per cent in 1992 to 873 per cent in 1993, 335 per cent in 1994 and an estimated 130 per cent to 130 per cent in 1995. Surely it is advisable for the IMF to remain engaged in the process and to push it forward by financially supporting the fulfilment of the 1996 macroeconomic targets especially at a time when the Russian economy is showing signs of recovery.

professor of economics, Columbia University. New York, NY 10027,

#### Eximbank not competing

From Mr Martin A. Kamarck Sir, Re your article "Eximbank setback over \$1bn Gulf loan" (January 29), I want to set the record straight on the Equate project. The Export-Import Bank only provides financing that the private sector cannot, or where foreign governments are providing subsidised financing for their exporters. We do not compete with private-sector financing. That is our Congressional mandate For the Equate project, we

learned very late in the game

that financing has become

available from private-sector banks in the Gulf region and the US.

It is fine with us that the private sector is working as it is supposed to. That is the right result. It is always a winning combination when US exports occur and American workers benefit without using taxpayer dollars.

Martin A. Kamarck, chairman, acting, Export-Import Bank, 811 Vermont Avenue, NW, Washington DC 20571.

#### All-party talks on election best

From Mr John Forago Sir. The ballot box is obviously better than the gun "Better the ballot box", January 30) in Northern Ireland as elsewhere. Sinn Féin and other nationalist politicians would gain credibility and strength if their negotiators were backed by popular vote rather than by the threat of resumption of violence or even by declarations of continuing

But the nationalist community cannot be expected to have confidence in an electoral process, suddenly announced, if the timing,

format and rules are to be determined solely by the British government with unionist politicians breathing heavily over their shoulders.

Would it not be more sensible to call all-party talks now with the primary purpose of agreeing when and how an election to a negotiating convention should be held? Until unionists are given some power and responsibility

through some form of election

process, they are unlikely to do

anything other than say no. John Farago. 121 Church Road London SW19 5AH

entry criterion that is strict. binding and feared - the 3 per cent fiscal deficit to gross domestic product ratio. By 1997 no country larger than Luxembourg, Denmark Ireland and Finland will achieve this. Germany's deficits are likely to grow from 3.6 per cent in 1995 to 4 per cent this year. By 1997, a small decline is possible, but the 3 per cent hurdle see insurmountable. One way to reconcile the

From Mr Adolf Rosenstock.
Sir, There is only one Emu

political objective of Emu with reality is to relinquish this criterion - not a viable course for the German government. According to the preamble to the ratification law, the German government's vote in the EU council on the entry into Emu requires the approval of the Bundestag and Bundesrat (upper house) after appropriate evaluation. The Constitutional Court in

October 1993 restricted the interpretation and enactment of the Maastricht treaty: Ratification of the treaty does not mean that the country subjects itself to any automatism leading to Emu. The time schedule is not legally enforceable.

The preamble is fully valid.

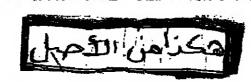
 Powers of the Bundesbank can only be delegated to a & European central bank if the priority of price stability is clearly established.

 The Emu entry criteria cannot be softened. Should the country enter Emu and this destabilise prices later, the government has to consider leaving Emu. The loophole out of this

quagmire is in the Maastricht treaty 109j; "Should the starting point for stage III not be determined by the end of 1997 then stage III shall start on January 1, 1999. Before July 1, 1998 the Council confirms...by qualified majority...which member countries fulfil the necessary preconditions for the changeover into a unified

So, just a new deadline has to be defined. Otherwise it is not certain the EU council in 1998 can find a qualified majority willing to send a sufficiently large number of countries into Emu. This would mean the silent death of the Maastricht Emu project.

Adolf Rosenstock senior economist, IBJ Frankfurt, Niedenau 13-19, 60325 Frankfurt, Germany



#### **COMMENT & ANALYSIS**

#### FINANCIAL TIMES

Number One Southwark Bridge, London SEI 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Thursday February 1 1996

### Central banks to the rescue

turned-saviour. With governments in the US and Europe hell-bent on fiscal prudence, the Bundesbank and the US Federal Reserve are being told that only they can save the world growth "pause" from turning into a recession. So far, at least, both seem happy to take on

With the Bundesbank widely expected to reduce interest rates at today's council meeting, its members may opt to preserve their reputation for unpredictability by leaving official rates as they are. But they have already shown a strong bias towards cheaper money. The repo rate, which was set at 3.4 per cent yesterday, has failen by nearly two thirds of a percentage point since last month's half-point cut in the dis-

In less angst-ridden times, Mr Hans Tietmeyer, the Bundesbank president, would probably want to bide his time before loosening policy even further. With inflation now running at a little over 2 per cent, short-term real interest rates are already well below the long-term average of 3 per cent. Equally, December money supply growth was somewhat higher than

But these are not ordinary times. Germans have woken up to the fact that it is not only France that is in danger of digging itself into a recession in a potentially self-defeating attempt to qualify for European monetary union. The economic packages unveiled with

This year is fast shaping up to be much fanfare this week in Ger-the year of the central banker many and France differed in approach. Yet each stimulus package promised far more than either government was in a position to

> Mr Tietmeyer also has the US Federal Reserve to consider. A lower D-Mark would do more for Germany's immediate growth and employment prospects than interest-rate cuts alone can achieve The D-Mark has fallen by about per cent against the dollar since October, but it must fall further if the east German manufacturing sector is to produce a substantial increase in jobs for the region's unemployed. This may prove a forlorn hope if US interest rates continue to fall in lock-step with German ones or, worse still, even

Mr Alan Greenspan, the Federal Reserve chairman, has less room to play the saviour than Mr Tietmeyer. The unemployment rate is only 5.6 per cent, close to the level usually associated with rising prices. However, other data suggest that growth may have slowed to an annual rate of 1½ per cent. below the estimated potential rate of a little over 2 per cent. To judge by yesterday's quarter of a percentage point reductions in both the discount and the federal funds rates, Mr Greenspan believes he can prod the economy back towards trend at little risk to inflation. This is good news for US mortgage-holders, and good for Mr Greenspan's reputation on Main Street. Mr Tietmeyer will be under

### Disarming Chirac

"I feel today that I have accomplished one of the chief duties of my office, by endowing France with the means of her independence and security in the coming decades." Such was the boast of President Jacques Chirac on Monday night when he announced the end of France's nuclear test programme.

The statement is hardly credi- what France could achieve by a ble. (Could six tests really achieve so much?) It strengthens the idea that Mr Chirac's motive for ordering the resumption of tests last summer was more political than technical or strictly military. The reports on whose advice he esten-ship acted certainly wanted more than six tests, and they are far from enthusiastic about the total ban on future tests which France is now committed to negotiate.

The French defence establishment will await with apprehension the initiatives for an "active and determined role in world disarmament" which Mr Chirac has promised to unveil in the next few

It could be that he has simply been bounced into espousing the cause of disarmament by the unexpected strength of world reaction to the test programme. But it is more charitable, and on the whole more plausible, to assume that Mr Chirac knew more or less what he was doing all along. On this interpretation, he needed the test programme to establish his authority, and his Gaullist credentials, precisely because he knew from the start that he would have to slaughter several sacred cows of Gaullist defence policy. In this, as in much else, his gov-

ernment has built on positions already staked out by his rival Edouard Balladur during the last two years of François Mitterrand's reign. Mr Balladur's defence white paper of 1995 stressed the limits of purely national defence effort, and switched the emphasis to the contribution the country could make to a collective European defence.

That period also saw France develop a closer working relation ship with Nato, particularly in the context of Bosnia. Mr Chirac has now formalised and generalised that new relationship, going about as far as he could without actually taking France back into the joint command structure or the nuclear planning group.

He has also recently signalled his desire to abolish conscription (a decision with a respectable Gaullist pedigree, since Charles de Gaulle first became known in the 1930s as the advocate of a profes sional army). This points the way to more efficient armed forces, but also almost certainly to much smaller ones, since man for man a professional army costs more than a conscript one. And there can be little doubt that the next sacred cow to come under Mr Chirac's knife will be the defence budget the only one in a major Nato coun try to have escaped significant cuts since the end of the cold war.

### Hormones

The US decision to challenge in the World Trade Organisation the European Union's ban on hormone-treated beef brings to a head a dispute which has stirred exceptionally strong passions on both sides of the Atlantic. For that reason, it poses a delicate test of the WTO's ability to uphold global rules, while maintaining their legitimacy in the eyes of public

The case is being brought under a new WTO requirement that trade restrictions applied on health and safety grounds be justified scientifically, if they are not covered by international agreements. On that criterion, the ban looks indefensible. Even the European Commission's scientific advisers have found no proof that hormone treatment is harmful.

Brussels insists the ban reflects strong concern among consumer groups and commands overwhelming political support - recently reaffirmed by farm ministers and the European parliament. That may well be so. But as a case for the defence, it amounts to arguing that trade restrictions should not be judged by the rules, but by their popularity in the countries

imposing them. However, any WTO-inspired move to lift the ban could face strong opposition. It is easy to imagine a rancorous confrontation developing over the right of internectonal organisations to gainsay cott products of serion democratic decisions.

That could hand ammunition to right to choose.

lobbyists who argue that the EU should ignore its WTO commitments when they conflict with its decisions in other areas, such as environmental policy.

In practice, if the EU lost the hormones case, it could choose to keep the ban, while the WTO authorised the US to continue retaliatory sanctions it imposed on EU exports several years ago. Such a course, though legal would be ill-advised. The EU cannot afford to set a precedent which could encourage others to close their markets to its products on grounds as dubious as those it is employing. A defeat in this case would also undermine the laudable efforts by Sir Leon Brittan the trade commissioner, to position the EU as a champion of open

These risks should be avoided, if at all possible. The sensible alternative is for the EU to seek a compromise with the US and other beef exporters. It ought to be possible to agree on a system which allows hormone-treated meat to be imported, provided it is clearly labelled as such at the point of sale. US cattle producers have already said they would be ready to discuss such an approach. If Europeans are as profoundly averse to the use of growth-promoting hormones as politicians and consumer groups insist, they would be free to hoycott products containing them. But at least they would have the

### Caught in the crossfire

With guided weapons decisive in modern warfare, three British orders are critical to the European missile industry, says Bernard Gray

n Bosnia last summer Nato aircraft often missed targets with conventional bombs, but 13 Tomahawk cruise missiles, launched against heavily defended areas which jets could not safely attack, scored 13 direct hits. Missiles are increasingly the primary weapon on the modern

Over the next year the UK will order £2.5bn (\$3.8bn) of missiles in three separate competitions which will decide whether Britain retains a significant guided weapons industry, and shape the future of the European missile market.

Yet - despite the fact that missiles are becoming the deciding factor in war - there are few signs that the UK Ministry of Defence feels the country needs to retain the technology to develop guided weapons.

The UK is looking for a cruise missile which can be fired from Royal Air Force lighters, which fly at least 250km at tree-top height, and destroy command bunkers, bridges and aircraft hangers. On top of this missile, the MoD wants an anti-tank weapon to be fired from alreraft, and a long range air-to-air missile, which will be the principal armament for the Eurofighter, the £32bn joint defence initiative.

The Procurement Executive, the weapons-buying arm of the MoD, is running separate competitions for each missile and will evaluate bids purely on the basis of bang for the MoD's very limited buck. Ministers will then decide whether its recommendations are politically acceptable, taking into account such ques-tions as whether orders should be placed in the UK or abroad in the rup-up to a general election.

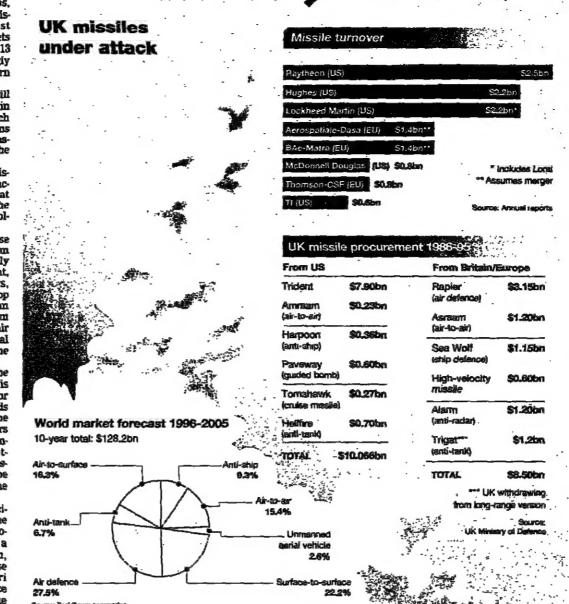
Much depends on the three decisions. The proposed merger of the missile operations of British Aerospace and Matra of France, part of a wider European consolidation, hinges on the outcome of the cruis missile competition. Mr Henri Conze, the head of French defence procurement, has insisted that the contract should go to the Matra-BAe team as a token that the UK is committed to a European defence

Britain, says Mr Conze, allows US companies to compete for its missile contracts, while the US market is all but closed to Europeans. The US also restricts access to the technology of missiles it does sell abroad, making it difficult for foreign buy-ers to arm themselves if the US refuses to supply further equipment. According to the French, it is time for the British to choose which camp they are in. If the UK picks predominantly US weapons, it is likely to be excluded from the rationalisation of the European mis-

The orders, furthermore, come at a time when missile production in the UK is split between several companies and has reached a very low ebb, partly because the MoD has dy placed almost 27bn of missile contracts with the US in recent vears. British Aerospace's missiles division employs only 3,000 people, compared with 16,000 in 1989. GEC-Marconi, the defence and electron ics arm of the General Electric Company, has only one such pro-gramme, producing guided bombs for the United Arab Emirates.

The new orders will determine which UK companies, if any, survive as missile makers, and decide whether the country retains a mis-

That may be important in war because missiles are one of the few weapons which countries will be able to produce rapidly and in quantity during a future conflict. With their highly complex systems, mod-



### Seven shots at the target

is expensive, and Hughes may

suffer because it has had a lim-

British Aerospace and France's

ited presence in the UK.

ing stealth technolog

missile to fly into heavily defended areas and hit key targets with pinpoint accuracy. The MoD is considering seven con-

The front-runner is AirHawk from Hughes of the US. It uses the same terrain-following mans as Hughes' Tomahawk missile, which has an impressive operational record. However, AirHawk

ern fighter aircraft take between two and three years to make, and warships even longer. Any but the Sidewinder air-to-air missiles from most protracted war is likely to be a some of its continental European "come as you are" conflict, with the combatants having to rely on aircraft, ships and tanks they already hold in their arsenals. Missiles will be vital to defend those sircraft and ships which are available and to

During the Gulf war, for example, the US started to run out of its Patriot anti-Scud missiles. Production was quickly increased, and staff at Lockheed Martin's plant in Orlando, Florida, tell of making a missile which was fired over Dhahran in Saudi Arabia less than 24 hours after it left the factory. But if a country does not control

inflict damage on the enemy.

technology and manufacturing for the missiles it needs, it can find it hard to get hold of wartime stocks. In both the Falklands conflict and

McDonnell Douglas is fielding GrandSLAM, a stretched versionof a missile which is already the Gulf war, the UK had difficulty in borrowing additional US-made

Equally importantly, argue the UK manufacturers, it can be difficult to export aircraft armed with foreign missiles. The UK will often be in competition with US or French sircraft manufacturers for export orders, so either country might be tempted to withhold permission for its missiles to be exported to third parties on British aircraft. Since aircraft are primarily platforms for carrying missiles, barring export licences would blight

British export prospects. The MoD is, however, wary of many of the arguments for maintaining a UK missile industry. Officials are currently reviewing the department's policy towards the UK's defence industrial base, with

is producing for the United Arab Emirates, and Texas Instruments Matra are jointly offering a veris also offering a boosted version sion of the French Apache cruise of a US guided bomb, the Joint but is said to include radar avoid-Stand Off Weapon. The Israeli Popeye and the Ger

man KEPD 350 are thought to be outsiders. The winner should be known by July.

an eye to which technologies the

UK needs to retain. In the past the

in use with the Royal Navy. GEC of the UK is offering to

beef up the guided bomb which it

MoD has been highly reluctant to regard any technologies, except nuclear weapons, as "special".

The MoD's traditional argument rest on two premises. First, it says that while it supports a UK defence industry, a variety of weapons are available from friendly nations which means that the UK does not have to be overly concerned about any particular equipment - including missiles. Second, it says that all

modern complex weapons contain

elements from so many different

countries that it is impossible to

ensure fully secure supplies of components anyway.

This approach is in marked contrast to that of the US, the only other western arms-making country with a competitive marketplace. On the rare occasions that the US buys whole weapons systems from over-

seas, it insists on all of the technology being transferred to the control of a US company, so that the Penta-

gon can be sure of its supplies. However, even if the MoD was inclined to behave more like the Pentagon, the UK guided weapons industry may already have slipped past the point of no return. The substantial orders placed overseas in recent years by the MoD have left the UK little presence in many

missile areas. Britain has already withdrawn from long range ballistic missiles, and has only a niche position, with its new Rapier 2000, in air defence systems: these two segments of the missile market account for half of all sales worldwide. French and American weapons are dominant in anti-ship missiles, and in current air-to-air systems the US short range Sidewinder and longer range AMRAAM control the market.

Even where the UK does have expertise, the technology is split between manufacturers, and the UK cannot muster companies which make all of the relevant missile parts. GEC has skills in developing the missile seekers which identify and lock on to targets, while BAe has experience in aerodynamics, pulling the elements of the missile system together and integrating the weapons on to aircraft. But in areas such as cruise missile motors and certain types of warhead, the UK is already dependent on overseas man-

his splintered and partial capability has increased pressure for the UK to form part of a single European missile company, and is one of the reasons BAe and Matra have been negotiating a joint venture.

Aerospatiale of France and Daimler-Benz Aerospace of Germany have already agreed to pool their missile interests as a precur-sor to general consolidation. Yet the teams involved in the current competitions do not lend themselves easily to this outcome, even if the MoD is inclined to award the contracts in a way that promotes a European alliance. There is a patchwork quilt of teams which alters from competition to competition: BAe is joining Matra for the cruise missile contest but with Hughes of the US in the anti-tank bid.

Only in the case of the Eurofighter missile is there a clear way through the thicket. That competiby Hughes of the US with a beefed version of its current Amraam missile, and a European consortium of several of the partners in Euroighter: Britain, Germany, Italy and Spain, and possibly also France and Sweden. Because of the need to be able to export Eurofighter without restrictions, the contract is likely to go to the European consortium, if it can muster a half-way decent bid.

However, it remains to be seen whether there will be much of a UK industry to back the project. If the cruise missile contract is not placed with the BAe-Matra team. Matra has said it will call off the proposed

Since the British government says it supports a free market in defence equipment arguably the best solution for BAe's shareholders would be for the company to sell its missiles division to Rughes. That would leave the MoD stranded between restricted US technology and a European consortium in which Britain had no part for supply of many of its most important weapons; which was probably not what the MoD's mandarins had in mind when they first invited bids.

### OBSERVER

#### Barcelona under attack

Numancia has its place in Spanish legend, as the site of a local tribe's heroic stance against a Roman army. However, Numancia could go down in the Spanish history books tonight for another reason. Its local part-time football club takes on mighty Barcelona for a place in the semi-finals of the Spanish Cop. The contest could be taken right

out of a Roy of the Rovers comic strip. Numancia, struggling to stay in the third division, has already seen off three sides from the first division - Racing de Santander, Real Sociedad and Sporting de Gijon. Tonight's match is the most exciting thing to have happened for decades in Soria, capital of a backwoods province north of

It can count on the support of a large part of the country, not just because it is the underdog but also because Barcelona is regarded almost as the national team of Catalonia. Any chance of seeing the Catalans humiliated is to be

The contrast between the teams could hardly be greater. Most of Numancia's players mix their sport with studies. The club has just 1,200 members compared with Barcelona's 105.000. Its annual budget, Ptall4m, is equivalent to 0.013 per cent of Barcelona's

Pta8.6bn. It has had to lash out Ptal?m on renting extra grandstand facilities, incre capacity to an unheard-of 12,500

The decisive return leg is in two weeks. Even if the whole town went, it would fill less than a third of Barcelona's stadium. Barcelona, which has won the cup no fewer than 22 times, is taking a studiously calm view of the encounter. But snare a thought for the referee. The previous heroes of Numancia in 133 BC burnt their jown down and put themselves to the sword rather than swallow

#### Ouids in

Me Not a happy ship, it would seem, the Securities and Exchange Commission at the moment. The latest to make for the exit is Linda Quinn, director of the corporation finance division. She follows Brandon Becker, director of market regulation, and Simon Lorne, the SEC's general counsel, who both jumped late last year.

Having totted up 16 years at the place, she was the SEC's longest serving director. But at the end of next month, she will be heading back to the more lucrative waters of private practice, with law firm

Shearman & Sterling. Many non-US companies have her to thank for supervising the Rule 144A amendment which has made it easier for foreigners to

place securities in the US. But Quinn was reckoned to be dismayed by reforms to securities litigation legislation, designed to protect companies from frivolous suits but which critics say will deprive cheated investors from legal redress. Moreover, life at the SEC simply isn't much fun these days under Arthur Levitt, who wields a big stick and keeps the nurse strings exceeding tight.

#### Up beat

 As conductor Riccardo Muti rails at "chronic and comic Italian inefficiency", two things emerge about the tragic fire at La Fenice in Venice. Not only had the theatre's normal fire alarm been deactivated to make way for a new ultra modern system, but also the reason the surrounding canals had been drained was to remove decades of mud deposits that were hampering fire-fighters' access.

The last word, however, goes to Woody Allen. If arson were the cause, he mused, mindful of his engagement to play his clarinet at La Fenice in March, "the culprit could only have been a serious music-lover".

#### Sight unseen

Always an eye for a gap in the market, these Egyptians. An opposition newspaper, Al Wafd, tells the story of a man

paying his last respects to his father, who had died of a heart attack and was stored in a Cairo hospital morgue. To his horror, he discovered that the deceased's eyes had been removed.

When questioned, the morgue attendant told police that he filled regular orders from one of the state-owned Eve Banks, which then sold the corneas to hospitals for about \$40. Its chairman, Mohamed Ibrahim, was thus placed in the potentially tricky situation of having to explain why corneas were taken without relatives'

He hardly batted an eyelid. In his defence, the Eye Banks boss complained that the bureaucracy required to obtain consent was little short of murderous. And besides, a fatwa had been issued by Egypt's highest Islamic authority. the Mufti, which said it was not a sin to take corneas from the deceased as long as it was absolutely necessary.

#### The C-word

■ President Zedillo of Mexico was in full flood at The Royal Institute of International Affairs in London on Tuesday when his foreign minister passed him a note correcting his otherwise impeccable English. "Ah yes." said the president, "I have mixed up 'compromise' and 'commitment'. I have been doing that for the last 15 Venrs."

### Ginancial Times

#### 100 years ago A shareholders' lament

last, at a shareholders' meeting of the Gwelo (Matabeleland) Exploration and Development Company, the chairman announced that he was going to Lisbon to acquire a large concession from the Portuguese Government. The concession comprised all the lands between the Limpopo River on the east, the Transvaal Republic on the west and the Lomati River on the south with about 70 miles of coast on Delagoa Bay. He also stated that he hoped to return within two or three weeks. Over three and a half months have since elapsed, and no information has been given the suffering shareholders who have seen their shares fall to a price at which they are unsaleable.

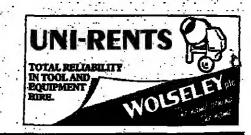
#### 50 years ago Democratic govt. for China

Generalissimo Chiang Kai-shek yesterday instructed the Kuomintang (Government Party) to accept the results and decisions of the All-Party Political Consultative Conference. In effect he is ordering the end of one-party rule in China. General Mao Tse-tung, chairman of the Central Committee of the Chinese Communist Party, is expecting her to join the Coalition Government which is being set up after 1st March.

MATERIALS AND TECHNOLOGY

**BRITISH VITA PLC** 

14



### Polish parties choose new candidate for PM

By Christopher Bobinski in wasw and Anthony Robinson in London

An early end to the Polish political crisis was in sight last night after the leaders of both coalition parties agreed to put forward Mr Wlodzimierz Cimoszewicz from the ruling Democratic Left Alliance (SLD) to replace Mr Jozef Oleksy as prime minister.

Mr Oleksy, who resigned last week to contest allegations of spying for the KGB, is playing a key role in the negotiations for a new head of government after his election as chairman of the SLD

over the weekend. Yesterday, Mr Waldemar Paw-lak, head of the Peasants party (PSL), and Mr Oleksy told President Alexander Kwasniewski that Mr Cimoszewicz was acceptable to both parties as a candidate for the premiership. Earlier

Mr Cimoszewicz, a 45-year-old lawyer and deputy speaker of the lower house of parliament, is widely seen as a pragmatic and relatively independent figure who is trusted by the former communists. He is also liked by

the liberal democratic wing of

the opposition Freedom Union.

As chairman of the constitutional committee, set up to draw up a new constitution, Mr Cimoszewicz is also well placed to steer the new constitution through parliament.
Mr Kwasniewski, who named

Mr Wladyslaw Bartoszewski, the former foreign minister, as an another potential candidate for the premiership, is expected to announce his choice before his departure today for the World Economic Forum meeting in Davos, Switzerland.

Under the constitution, a prime minister designate has 14 days fidence in parliament.

In return for acceptance of SLD leadership of the coalition, the PSL is seeking more power within a new government.

The PSL, which represents the powerful farming lobby in a country where more than 40 per cent of the population still lives and works in the countryside, is narticularly keen to increase its influence over the privatisation ministry and also wants the removal of Mr Jerzy Jaskierna,

the justice minister. Fear that a government reshuffle would slow down the privati-sation programme has helped to speed up some long-delayed pri-vatisation deals. On Tuesday, Philip Morris of the US agreed to pay \$227m for a controlling stake in ZPT Krakow, the country's largest tobacco plant, after months of difficult negotiations.

# on Emu

Mr Jacques Santer, president of the European Commission, yesterday launched plans for a pan-European "confidence pact" in response to fears that the drive towards monetary union is put-

ting people out of work. He called on member states to tury on public works and research projects.

Parliament billed as a counterattack against the recent wave of scepticism about the proposed single currency, Mr Santer said it was vital for EU countries to work together to reduce budget deficits, control inflation, tackle unemployment - now at 18m -and kickstart economic growth.

pact" - a repackaging of existing macro-economic strategy, long-promised plans to dismantle labour market obstacles and closer co-operation between goveroments, employers and trade unions along the lines of this week's action plan for jobs in

### Ramos hit by coalition split

By Edward Luce in Manila

The administration of President Fidel Ramos of the Philippines was dealt a serious blow yesterday after the largest party in the ruling coalition left to form an opposition group in the senate.

The split, which could deprive the Ramos administration of a majority in the powerful upper house, raises doubts about the government's ability to enact several key but controversial eco-

Among reform initiatives which economists say are vital to the further recovery of the Philipnine economy are deregulation of the oil industry, a new tax system to enhance government revenues, and an anti-terrorism bill to fight a growing Islamic sepa-

Warning on

German jobs

to cut social costs for companies.

to reduce red tape and to lower

As part of this week's eco-

nomic package, the German gov-ernment pledged to have a sec-

ond look at tax rules, introduced at the beginning of the year,

under which users of company

cars pay tax on 1 per cent of the car's list price each month. The VDA yesterday calculated

that the car industry would lose

between DM3bn and DM4bn in

sales of new cars, about 5 per cent of domestic turnover, if the

law remained in place.
Sensing a possible U-turn by
the government, the industry is

stepping up its efforts to remove the new tax.

Mr Helmut Werner, chairman

of Mercedes-Benz, the luxury

carmaker, said the impact of the tax was already being felt in the

secondhand luxury cars market.

Continued from Page 1

the corporate tax burden.

ratist movement in the south. Senator Edgardo Angara, leader of the Liberal Democratic party (Laban), which left the ruling coalition yesterday, has made no secret of his ambition to run for president in 1998 when Mr

Ramos is due to stand down.

Ramos promotes to inherit his

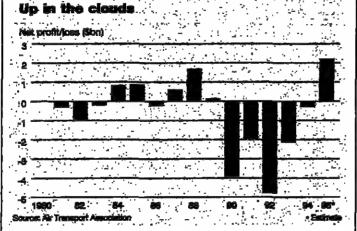
It was not clear yesterday whether the smaller parties in the 24-member senate would join Mr Angara's opposition group to deprive the pro-administration Lakas party of its majority. Political commentators said it could take several days before wavering senators made up their

"Yesterday's split signals the beginning of a very long war of attrition for the presidential crown in 1998," said Professor Alex Magno at the University of

the Philippines. "Mr Angara's group will attack the president's reforms at every turn to put maximum distance between Angara's presidential bid and whoever

perty's nomination." Mr Ramos, however, can count on the support of the 204 member House of Representatives where his Lakas party controls 130 seats. But, under the US-style constitution, the senate reserves the right to block and amend legislation passed by the lower house.

"President Ramos must push through some very important reforms this year to keep the eco-nomic momentum on track," said Mr Peter Wallace, director of



#### US airlines land on their feet

FT WEATHER GUIDE

Continued from Page 1

Wall Street analysts said US airlines will also find it tough to improve on this performance in the current year since all the easy cost-cutting has already been accomplished. Meanwhile, the big airlines are

still being challenged by relent-less competition from smaller, low-cost carriers. Southwest Airlines and ValuJet Airlines are expanding rapidly, and a newly resurrected Pan Am has said it would launch domestic services this summer at half the fares charged by existing carriers.

### Santer in jobs boost to aid progress

By Lionel Barber in Brussels

"stay to the course" for the single currency, but proposed to spend an extra Ecul.7bn (\$2.15hm) by the end of the cen-

In a speech to the European

His remedy is a "confidence

The Santer initiative marks a more offensive stand by the European Commission, which has watched in frustration as calls for a delay in the Emu timetable have increased.

Mr Santer made clear he would not countenance a delay, but conceded that more needed to be done to tackle unemployment. In a move which could upset Britain, he announced that the Commission would press for employment to be addressed "explicitly and strongly" in this year's intergovernmental conference to review the Maastricht

Britain, which has an opt-out on EU social policy, is wary of corporatist solutions to unemployment. But Mr Santer said:
"The continuing high level of
unemployment is putting the
cohesion of our societies at risk, it is shaking the foundations of our European model."

He intends to sell his plan to EU heads of government in a tour of EU capitals. He also announced plans for talks in May on unemployment, to be attended by trade union leaders

A shift in priorities is partly possible because of significant inderspending on the Common Agricultural Policy thanks to reductions in farm production. Brussels has calculated that an extra Eculbu might be available for the trans-European networks, the multi-billion rail, road and telecoms projects. It believes it can also squeeze an extra Ecu700m for research and devel-

Iberia row, Page 7

The latest quarter-point cut in US interest rates is good news for the markets, mainly because failure to cut would have been a severe disappointment. It is not difficult to justify the reduction: the latest data this week, including retail sales and producer prices, produced no evidence that economic growth or inflationary pressures are picking up. In fact, a further quarter-point cut in a month or so is also priced in. This is reasonable enough. It implies a real Federal funds rate of 2 per cent, viewed as a neutral The worry for the financial markets

is that, for the moment, that looks like the end of the line. The Fed will not cut rates beyond that point unless it expects much worse economic news. Worse, the yield curve is now so flat. that there is limited scope for longdated bonds to rally without more rate cuts. And with inflation worries writen off, any return of the spectre of inflation would cause jitters at the

long end of the market. This does not mean that a sharp downward correction is imminent : And as long as the inflationary environment remains benign, and growth slow, the bond market may well remain steady, allowing the stock market to continue its ascent. But US bonds look an increasingly risky

The German bond markets' relative charms, meanwhile, are growing. Not only does the steeper yield curve in Germany leave more room for bond prices to rise, but the Bundesbank has clearly signalled a change of gear in monetary easing.

Yesterday's mildly disappointing figures from Fiat suggest the group's recovery is running out of puff. Despite severe cost cuts over the past two years, buoyant sales of its Punto small car and the weakness of the Italian lira, 1995 operating profits of L3.400bn (\$2.1bn) were below most analysts' forecasts. One problem has been a sharp

decline in Brazilian car sales, traditionally a very profitable market for the Italian carmaker. The impact has been worsened by an increase in import tariffs to as high as 70 per cent. More worryingly, Fiat is experiencing cost pressures again. So far this has been confined to components, such as tyres. But the group has agreed to a 7-8 per cent increase in labour costs for this year, when wages at most of

#### THE LEX COLUMN

### cut in time



its international rivals are rising by less than 3 per cent. That will put pressure on Flat's margins, which, at an estimated 2 per cent for the car

division, are still below average. The group's momentum this year depends heavily on the success of its new Bravo/Brava range. Italian sales have started well, but the breakthrough into export markets will have to be made against a European car market expected to grow just 2 per cent this year. Demand for the group's trucks and agricultural machinery will not be much better. The steep decline in the share price over the past eight months reflects much of this uncertainty. But on nearly 18 times this year's earnings, the shares still look expensive compared with

#### Enterprise Oil/Elf

Better a good divorce than a bad marriage. That is certainly true of the unwinding of Elf and Enterprise Oil's North Sea joint venture. Formed in 1991 as a convenient parking-place for part of Elf's stake in Enterprise, the operation turned out to be a lousy investment. Given that the joint venture was lumbered with £400m of bonds paying interest at 8% per cent, dismantling it was bound to be a

temptation. For Enterprise in particular, it is the right option. Instead of a minority stake in a joint venture, Enterprise will have full control over its share of the assets - and the right to sell them. For Elf, which owned two-thirds of the venture, the case for pulling out was less clear-cut. But the fact that it has been active in the North Sea on its

own suggests the joint venture had become surplus to requirements. By drawing a line under some of the messier episodes of its past - it has sold its stake in Lasmo as well -Enterprise is starting to fill the "strategy vacuum" which has worried investors ever since the Lasmo bid falled. More importantly, it has been lucky; recent discoveries in Norway, Denmark and Italy have done much to boost the company's future production profile. That, together with the fact that the shares have underperformed the market by 20 per cent since last January, makes them look distinctly reasonably priced. But with the oil price going through a bout of the jit-ters – and Lasmo arguably cheaper – seychell.

September 2.

**월일 =**9

200

#### UK conglomerates

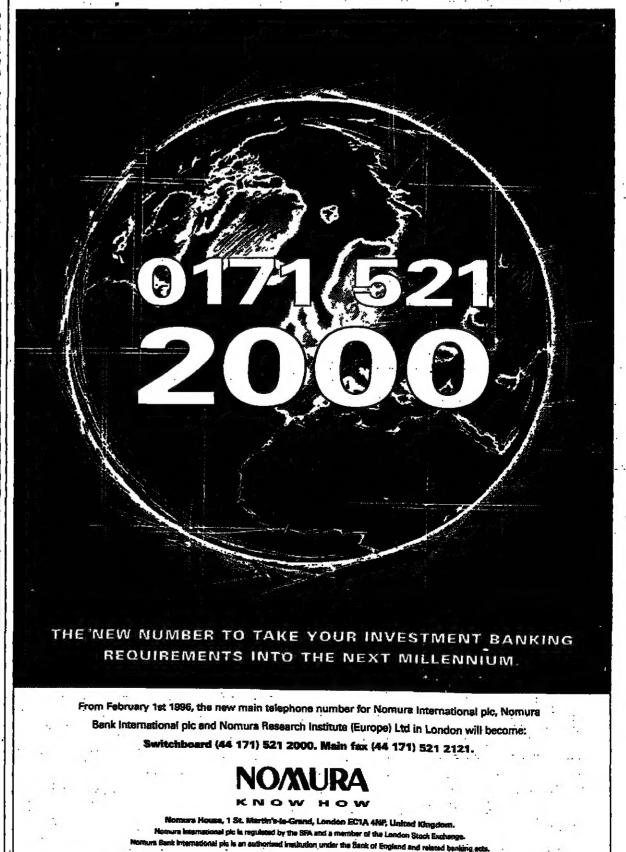
they are not yet a bargain.

Claims that the British conglomer ate is dead look premature despite Hanson's decision to break itself up. Hanson is a special case, with poor cash flow, high dividends, and a hap-hazard spread of mature businesses. One of the ironies of Hanson's demerger is that the most highly rated of its four parts will be the residual miniconglomerate rather than the more focused chemicals, tobacco and energy

Indeed, the break-up of Hanson could lead to a renaissance for its peers. Its dismal share price performance during the 1990s has depressed the entire sector. Williams, Tomkins and BTR have all been tarred with the Hanson brush. However, they have all achieved higher returns on capital, invested more in expanding their businesses, and - but for Tomkins - have been steadily focusing on core areas of competence. Williams has shrunk to three related businesses, and BTR, while it retains a myriad of operating subsidiaries, has already undergone a dramatic clear-out. So long as conglomerates can continue to extract benefits from commercial links between subsidiaries, or pick-up undervalued businesses in areas where they have management expertise, their role should be safe. Hanson was the oddest one out.

There is scope for further portfolio restructuring - BTR could hive off its fast growing packaging business. But if Hanson's break-up heralds any change for conglomerates, it is likely to be revitalisation rather than death.

Lex comment on Alliance & Leicester



#### **Europe today**

The Benelux, northern France and southern Germany will have a lot of sun but maximum temperatures will be around freezing. The Czech Requible, southern Poland and the countries surrounding the Aips will be surmy. Most of Russia will be cloudy. Scattered cloud will cross northern Poland and Germany. Russia will have some snow. Spain and, later, southern France will have a lot of cloud and rainy periods. Portugal will have showers. Showers will also occur in Turkey and Cyprus.

#### Five-day forecast

Spain, Portugal and, later, Italy will remain unsettied until the end of the weekend. During the weekend, cloud and rain will occur in the Balkans and will move towards Greece and Turkey. A disturbance will cross the western parts of the continent bringing rain to France and snow to the Benefux. During the weekend, there is likely to be snow in Alpine countries at the higher altitudes. The UK will be rather cloudy but mainly dry with sunny periods.

Lufthansa



